

From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Mon, 1 Jun 2015 11:03:08 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>
CC: Tom Clark <tclark@sycr.com>

As we discussed last Thursday you could send a copy of you Mou with your partner
Brain Bridge

Can you send A copy to our attorney Tom Clark today.

Sent from my iPhone

Subject: Preliminary Report - SCAL Updated.PDF
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Mon, 1 Jun 2015 20:06:31 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

Sent from my iPhone

Preliminary Report - SCAL Updated.PDF	Content-Type: application/pdf Content-Encoding: base64
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Part 1.3

Part 1.3	Content-Type: text/plain Content-Encoding: 7bit
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Updated 05/28/2015

*Mon 1 Jun 2015
20:06:31-0700*

**First American Title Company
National Commercial Services**

**4380 La Jolla Village Drive, Suite 110
San Diego, CA 92122**

May 28, 2015

Matthew Reid
Land & Design, Inc.
4330 Palm Ave
La Mesa, CA 91942
Phone: (619)462-4060
Fax: (619)462-4144

Title Officer: Vince Tocco/ Linda Slavik
Phone: (858)410-3886
Fax No.: (877)461-2094
E-Mail: vtocco@firstam.com

Escrow Officer: Janine Hudson
Phone: (858)410-5767

Buyer: Land & Design, Inc.

Owner: Garden Grove Agency for Community

Property: Vacant Land as to Parcel A; 12531 Twintree Lane, Garden Grove, CA, as to Parcel A1; a Commercial Building known as 12252 Harbor Boulevard, Garden Grove, CA as to Parcel B; a Commercial Building known as 12262, 12272 and 12292 Harbor Boulevard, Garden Grove, CA as to Parcel C; 2 Single Family Residences known as 12511 and 12531 Twintree Lane, Garden Grove, CA and a Commercial Building known as 12032 Harbor Boulevard, Garden Grove, CA as to Parcel D; a Single Family Residence known as 12237 Choisser Road, Garden Grove, CA as to Parcel E; a Vacant Land as to Parcel F; a Single Family Residence known as 12239 Choisser Road, Garden Grove, CA as to Parcel G; a Single Family Residence known as 12551 Twintree Lane, Garden Grove, CA as to Parcel H; and a Single Family Residence known as 12571 Twintree Lane, Garden Grove, CA as to Parcel I, Garden Grove, CA

PRELIMINARY REPORT

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

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

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

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

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

Dated as of May 13, 2015 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

2006 ALTA Standard Owners

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

City of Garden Grove, a municipal corporation, as to Parcels A1, A, B, C, D, G, H and I;

City of Garden Grove, as Successor Agency of the Garden Grove Agency for Community Development, as to Parcel E and

Mann Enterprises Inc., a Delaware corporation, as to Parcel F

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Fee Simple as to Parcels A1, A, B, C, D, E, F, G, H and I, an Easement as to Parcels 2A and 2C.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2015-2016, a lien not yet due or payable.
- 1a. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-08.
2. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-03.
3. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-05.
4. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-491-19.
5. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-491-12.
6. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-04.

7. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-07.
8. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-10.
9. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-06.
10. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-09.
11. This item has been intentionally deleted.
12. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-491-13.
13. This item has been intentionally deleted.
14. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-491-20.
15. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-01.
16. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 231-521-02.
17. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

The Following Matters Affect Parcel A1:

18. Easements and servitudes as they appear on maps, or in documents recorded in the Official Records of said County and matters in various instruments of record which contain, among other things, easements and rights of way in, on, over or under the common area, if applicable, for the purpose of constructing, erecting, operating or maintaining thereon or there under, overhead or underground lines, cables, wires, conduits, or other devices for electricity, power, telephone and other purposes, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any similar public or quasi-public improvements or facilities. Also, the equitable right of use and enjoyment in and to and throughout the common area, if applicable, as well as non-exclusive easements and equitable right for ingress to the owner herein described. Reference is hereby being made to various documents and maps of record for full and further particulars.
19. Limitations, covenants, conditions, restrictions, resolutions, annexations, reservations, easements, exceptions, terms, assessments, liens and charges, if applicable, in instruments recorded in the official records of said county any amendments and modifications thereto, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap,

familial stains, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(C) or applicable state law.

The Following Matters Affect Parcel A:

20. The reservation for roads, railroads and ditches of a strip of land 15 feet wide, along, adjoining and each side of the quarter section lines, and the reservation of the use and control of cienegas and natural streams of water, if any, naturally upon, flowing across, into or by said tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as reserved in the deed from the Stearns Ranchos Company recorded December 13, 1892 in Book 78, Page 181 of Deeds.
21. An easement for road and incidental purposes, recorded April 04, 1917 in Book 300 of Deeds, Page 376.
In Favor of: The County of Orange
Affects: The West 20 feet of the land
22. An easement for road and incidental purposes, recorded October 14, 1926 in Book 681 of Deeds, Page 186.
In Favor of: The County of Orange
Affects: The West 35 feet of the land
23. An easement for road and incidental purposes, recorded May 13, 1947 in Book 1521, Page 294 of Official Records.
In Favor of: The County of Orange
Affects: A portion of the land
24. The effect of a map purporting to show the land and other property, filed in Book 20, Page 18 of Record of Surveys.
25. The effect of a map purporting to show the land and other property, filed in Book 40, page 15 of Record of Surveys.
26. An easement for street, highway and incidental purposes, recorded November 27, 1961 in Book 5924, page 192 of Official Records.
In Favor of: The City of Garden Grove
Affects: The West 50 feet of the land
27. The terms and provisions contained in the document entitled "Certificate of Completion" recorded July 28, 1980 in Book 13679, Page 804 of Official Records.
28. A deed of trust to secure the performance of an agreement or other obligation, recorded March 09, 2011 as Instrument No. 2011000124339 of Official Records.
Dated: March 08, 2011
Trustor: Garden Grove Agency for Community Development, a public body, corporate and politic
Trustee: Stewart Title of California
Beneficiary: City of Garden Grove, a charter city

The Following Matters Affect Parcel B:

29. The reservation of a portion of the land for roads, railroads and ditches, and the reservation of the use and control of cienegas and natural streams of water, if any, naturally upon, flowing across, into or by said described tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as contained in the deed from the Stearns Ranchos Company recorded April 07, 1894 in Book 87, Page 87 of Deeds.
30. Rights and rights of way as contained in the agreement between Geo. Waldvogel and others, recorded May 07, 1919 in Book 332, Page 107 of Deeds.
31. An easement for road and incidental purposes in the document recorded in Book 300 of Deeds, Page 376.
32. A right of way over a portion of the land for widening Harbor Boulevard as described in the deed to the County of Orange recorded May 13, 1947 in Book 1521, Page 294 of Official Records and re-recorded March 29, 1948 in Book 1743, Page 131 of Official Records.
33. An easement for water pipelines and incidental purposes in the document recorded in Book 1900, Page 299 of Official Records.
34. The right to use the a pipeline as described in a deed recorded September 13, 1949 in Book 1900, Page 299 of Official Records.
35. An easement over said land for ingress and egress and public utilities as reserved in the last above mentioned deed. and in the deed from Clarence A. Pingston and wife recorded November 15, 1949 in Book 1926, Page 334 of Official Records and in subsequent deed of record.
36. The terms and conditions of a pumping plant agreement relating to a well and pumping plant located on other land, recorded November 06, 1951 in Book 2250, Page 353 of Official Records.
37. The effect of a map purporting to show the land and other property, filed in Book 21, Page 5 of Record of Surveys.
38. An easement for highway and incidental purposes in the document recorded in Book 3671, Page 384 of Official Records.

A portion of the above easement was vacated and abandoned by Resolution No. 2961-65 of the City Council of the City of Garden Grove recorded May 19, 1965 in Book 7525, Page 992 of Official Records.
39. An easement for pole lines, conduits and incidental purposes in the document recorded in Book 3037, Page 116 of Official Records.
40. The effect of a map purporting to show the land and other property, filed in Book 53, Page 48 and in Book 79, Page 42, both of Record of Surveys.
41. An easement for street, highway and incidental purposes in the document recorded in Book 6549, Page 879 of Official Records.
42. An easement for vehicular ingress and egress and incidental purposes, recorded in Book 7569, Page 11 of Official Records.

In Favor of: The City of Garden Grove
Affects: A portion of said land

43. An easement for public utilities and incidental purposes, recorded in Book 13170, Page 730 of Official Records.

In Favor of: Southern California Edison Company
Affects: A portion of said land

44. An easement for public utilities and incidental purposes, recorded November 23, 1987 as Instrument No. 87-656163 of Official Records.

In Favor of: Southern California Edison Company
Affects: A portion of said land

45. An easement for public utilities and incidental purposes, recorded April 06, 1989 as Instrument No. 89-179424 of Official Records.

In Favor of: Pacific Bell
Affects: A portion of said land

46. A deed of trust to secure the performance of an agreement or other obligation, recorded March 09, 2011 as Instrument No. 2011000124338 of Official Records.

Dated: March 08, 2011
Trustor: Garden Grove Agency for Community Development, a public body, corporate and politic
Trustee: Stewart Title of California
Beneficiary: City of Garden Grove, a charter city

The Following Matters Affect Parcel C::

47. An easement for pole lines, conduits and incidental purposes in the document recorded in Book 3030, Page 91 of Official Records.

48. An easement for pole lines, conduits and incidental purposes in the document recorded in Book 3037, Page 117 of Official Records.

49. An easement for highway and incidental purposes in the document recorded in Book 3174, Page 570 of Official Records.

By Resolution No. 3298-67 of the City Council of the City of Garden Grove, recorded March 08, 1967 in Book 8193, Page 441 of Official Records, a portion of the easement was vacated and abandoned.

50. An easement for highway and incidental purposes in the document recorded in Book 5206, Page 459 of Official Records.

51. An easement for street and highway and incidental purposes in the document recorded in Book 5206, Page 460 of Official Records.

52. An easement for street and highway and incidental purposes in the document recorded in Book 6549, Page 879 of Official Records.

53. An easement for ingress and egress and incidental purposes in the document recorded in Book 7366, Page 683 of Official Records.

The terms and provisions contained in the document entitled "Agreement" recorded in Book 11727, Page 466 of Official Records.

54. An easement for ingress and egress and incidental purposes in the document recorded in Book 121722, Page 1165 of Official Records.

55. An easement for public utilities and incidental purposes, recorded November 23, 1987 as Instrument No. 87-656163 of Official Records.

In Favor of: Southern California Edison

Affects: A portion of the land

56. An easement for public utilities and incidental purposes, recorded April 06, 1989 as Instrument No. 89-179424 of Official Records.

In Favor of: Pacific Bell

Affects: A portion of the land

57. This item has been intentionally deleted.

58. A deed of trust to secure the performance of an agreement or other obligation, recorded March 09, 2011 as Instrument No. 2011-124343 of Official Records.

Dated: March 08, 2011

Trustor: Garden Grove Agency for Community Development, a public body, corporate and politic

Trustee: Stewart Title of California

Beneficiary: City of Garden Grove, a charter city

The Following Matters Affect Parcel D:

59. An easement shown or dedicated on the Map as referred to in the legal description.

For: Public utilities and incidental purposes.

60. An easement for public utilities and incidental purposes, recorded in Book 2667, Page 2 of Official Records.

In Favor of: Southern California Edison Company

Affects: North 6 feet of Lots 215, 216 and 217

61. Covenants, conditions, restrictions and easements in the document recorded in Book 2667, Page 486 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

62. An easement for public utilities and incidental purposes, recorded in Book 2704, Page 396 of Official Records.
In Favor of: Pacific Telephone and Telegraph Co.
Affects: North 6 feet of Lots 215, 216 and 217
63. An easement for public utilities and incidental purposes, recorded May 26, 1987 as Instrument No. 87-293660 of Official Records.
In Favor of: Southern California Edison Company
Affects: Northerly 5 feet of the Westerly 60 feet of Lot 217
64. An easement for street, highway and incidental purposes, recorded in Book 5924, Page 195 of Official Records.
In Favor of: City of Garden Grove
Affects: A portion of Lot 217
65. An easement for street, highway and incidental purposes, recorded in Book 5943, Page 952 of Official Records.
In Favor of: City of Garden Grove
Affects: A portion of Lot 217

The Following Matters Affect Parcel E:

66. An easement shown or dedicated on the Map as referred to in the legal description.
For: Public utilities and incidental purposes.
67. Covenants, conditions, restrictions and easements in the document recorded in Book 3515, Page 34 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
68. An easement for pole lines and incidental purposes in the document recorded in Book 3551, Page 382 of Official Records.
69. An easement for pole lines and incidental purposes in the document recorded in Book 3562, Page 584 of Official Records.

The Following Matters Affect Parcel F:

70. The reservation for roads, railroads and ditches of a strip of land 15 feet wide, along, adjoining and each side of the quarter section lines, and the reservation of the use and control of cienegas and natural streams of water, if any, naturally upon, flowing across, into or by said tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or

drain the adjacent land, as reserved in the deed from the Stearns Ranchos Company recorded December 13, 1892 in Book 78, Page 181 of Deeds.

71. An easement for road and incidental purposes, recorded in Book 300 of Deeds, Page 376.
In Favor of: County of Orange
Affects: West 20 feet of said land
72. An easement for road and incidental purposes, recorded in Book 681 of Deeds, Page 186.
In Favor of: County of Orange
Affects: West 35 feet of said land
73. An easement for road and incidental purposes, recorded in Book 1521 Page 294 of Official Records.
In Favor of: County of Orange
Affects: A portion of said land
74. The effect of a map purporting to show the land and other property, filed in Book 20, Page 18 of Record of Surveys.
75. The effect of a map purporting to show the land and other property, filed in Book 40, Page 15 of Record of Surveys.
76. An easement for street, highway and incidental purposes, recorded in Book 5888, Page 489 of Official Records.
In Favor of: City of Garden Grove
Affects: West 50 feet of said land
77. An easement for public street, highway and incidental purposes, recorded in Book 9142, Page 712 of Official Records.
In Favor of: City of Garden Grove
Affects: Easterly 10 feet of the Westerly 60 feet of said land
78. The terms and provisions contained in the document entitled "Development Agreement" recorded March 20, 1992 as Instrument No. 92-170685 of Official Records.
79. This item has been intentionally deleted.

The Following Matters Affect Parcel G:

80. An easement shown or dedicated on the Map as referred to in the legal description.

For: Public utilities and incidental purposes.
81. Covenants, conditions, restrictions and easements in the document recorded in Book 3515, Page 34 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in

California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

- 82. An easement for pole lines and incidental purposes in the document recorded in Book 3551, Page 382 of Official Records.
- 83. An easement for pole lines and incidental purposes in the document recorded in Book 3562, Page 584 of Official Records.

The Following Matters Affect Parcel H:

- 84. An easement shown or dedicated on the Map as referred to in the legal description.
For: Public utilities and incidental purposes.
- 85. An easement for public utilities and incidental purposes, recorded in Book 2667, Page 2 of Official Records.
In Favor of: Southern California Edison
Affects: North 6 feet of said land
- 86. Covenants, conditions, restrictions and easements in the document recorded in Book 2667, Page 486 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
- 87. An easement for public utilities and incidental purposes, recorded in Book 2704, Page 396 of Official Records.
In Favor of: Pacific Telephone and Telegraph
Affects: North 6 feet of said land

The Following Matters Affect Parcel I:

- 88. An easement shown or dedicated on the Map as referred to in the legal description.
For: Public utilities and incidental purposes.
- 89. An easement for public utilities and incidental purposes, recorded in Book 2667, Page 2 of Official Records.
In Favor of: Southern California Edison
Affects: North 6 feet of said land

90. Covenants, conditions, restrictions and easements in the document recorded in Book 2667, Page 486 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

91. An easement for public utilities and incidental purposes, recorded in Book 2704, Page 396 of Official Records.
In Favor of: Pacific Telephone and Telegraph
Affects: North 6 feet of said land

92. Rights of parties in possession.

INFORMATIONAL NOTES

1. General and special taxes and assessments for the fiscal year 2014-2015.

First Installment:	\$17.67, PAID
Penalty:	\$0.00
Second Installment:	\$17.67, PAID
Penalty:	\$0.00
Tax Rate Area:	18-055
A. P. No.:	231-491-18

2. General and special taxes and assessments for the fiscal year 2014-2015.

First Installment:	\$3,241.29, PAID
Penalty:	\$0.00
Second Installment:	\$3,241.29, PAID
Penalty:	\$0.00
Tax Rate Area:	18-350
A. P. No.:	231-491-21

3. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a Commercial Structure known as Vacant Land as to Parcel A; 12531 Twintree Lane, Garden Grove, CA, as to Parcel A1; a Commercial Building known as 12252 Harbor Boulevard, Garden Grove, CA as to Parcel B; a Commercial Building known as 12262, 12272 and 12292 Harbor Boulevard, Garden Grove, CA as to Parcel C; 2 Single Family Residences known as 12511 and 12531 Twintree Lane, Garden Grove, CA and a Commercial Building known as 12032 Harbor Boulevard, Garden Grove, CA as to Parcel D; a Single Family Residence known as 12237 Choisser Road, Garden Grove, CA as to Parcel E; a Vacant Land as to Parcel F; a Single Family Residence known as 12239 Choisser Road, Garden Grove, CA as to Parcel G; a Single Family Residence known as 12551 Twintree Lane, Garden Grove, CA as to Parcel H; and a Single Family Residence known as 12571 Twintree Lane, Garden Grove, CA as to Parcel I, Garden Grove, California.

4. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded May 26, 2015 as Instrument No. 2015000269270 of Official Records.

From:	Successor Agency to the Garden Grove Agency for Community Development, as successor agency to the former Garden Grove Agency for Community Development pursuant to Health & Safety Code Section 34173
To:	City of Garden Grove, a California municipal corporation

5. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

6. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:

- A. WITH RESPECT TO A CORPORATION:
 - a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 - b. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 - c. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
 - a. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 - b. A full copy of the partnership agreement and any amendments;
 - c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 - d. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
 - a. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
 - b. A full copy of the partnership agreement and any amendment;
 - c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 - d. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- D. WITH RESPECT TO A GENERAL PARTNERSHIP:
 - a. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
 - b. A full copy of the partnership agreement and any amendments;
 - c. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.
- E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

- a. A copy of its operating agreement and any amendments thereto;
 - b. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
 - c. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
 - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 - e. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- F. WITH RESPECT TO A TRUST:
- a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 - c. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.
- G. WITH RESPECT TO INDIVIDUALS:
- a. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

******To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.******

LEGAL DESCRIPTION

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

PARCEL A1:

LOT 215 OF TRACT 2012, IN THE CITY OF GARDEN GROVE, AS PER MAP RECORDED IN BOOK 55, PAGES 47, 48 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL A:

THE SOUTH 129.44 FEET OF THE WEST ½ OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 34, IN TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS PER MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

PARCEL 1:

THE NORTH 12 FEET OF THE WEST 400 FEET OF THE NORTH ½ OF THE NORTH ½ OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST IN THE RANCHO LAS BOLSAS, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM AN UNDIVIDED ½ INTEREST IN AND TO ALL OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES LYING IN, UNDER OR ON THE ABOVE DESCRIBED LAND, UNTIL FEBRUARY 02, 1974, AS EXCEPTED AND RESERVED BY WALTER R. GISLER AND OTHERS IN THE DEED FROM THEM RECORDED MARCH 31, 1949 IN BOOK 182, PAGE 196 OF OFFICIAL RECORDS, WHICH DEED PROVIDES THAT SHOULD OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES BE DISCOVERED PRIOR TO SAID FEBRUARY 02, 1974, OR BE DISCOVERED IN ANY WELL BEING DRILLED ON SAID LAND ON SAID DATE, OR BE DISCOVERED SUBSEQUENTLY TO SAID DATE IN ANY LEASE THAT IS IN EFFECT ON SAID FEBRUARY 02, 1974, COVERING SAID LAND OR ANY PART THEREOF, THEN AND IN THAT EVENT THE GRANTORS EXCEPT AND RESERVE TO THEMSELVES, THEIR SUCCESSORS AND ASSIGNS, ½ OF ALL OIL, GAS, MINERALS OR HYDROCARBON SUBSTANCES PRODUCED FROM SAID LAND DURING THE TERM OF SAID LEASE, AND SO LONG AS OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES ARE PRODUCED FROM SAID LAND;

ALSO EXCEPTING THEREFROM THE RIGHT OF ENTRY UPON THE SURFACE AND INTO THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND PRODUCING SAID SUBSTANCES, OR ANY OF THEM; AND FURTHER RESERVING ½ OF ANY BONUS OR RENTAL PAID BY ANY LESSEE ON ACCOUNT OF ANY SUCH OIL, GAS, MINERAL OR OTHER HYDROCARBON LEASE COVERING SAID LAND.

PARCEL 2:

THE WEST 400 FEET OF THE NORTH ½ OF THE NORTH ½ OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, IN THE RANCHO LOS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS

MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THE NORTH 12 FEET.

ALSO EXCEPTING THEREFROM THE SOUTH 200 FEET.

EXCEPTING THEREFROM AN UNDIVIDED $\frac{1}{2}$ INTEREST IN AND TO ALL OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES LYING IN, UNDER OR ON THE ABOVE DESCRIBED LAND, UNTIL FEBRUARY 02, 1974, AS EXCEPTED AND RESERVED BY WALTER R. GISLER AND OTHERS IN THE DEED FROM THEM RECORDED MARCH 31, 1949 IN BOOK 182, PAGE 196 OF OFFICIAL RECORDS, WHICH DEED PROVIDES THAT SHOULD OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES BE DISCOVERED PRIOR TO SAID FEBRUARY 02, 1974, OR BE DISCOVERED IN ANY WELL BEING DRILLED ON SAID LAND ON SAID DATE, OR BE DISCOVERED SUBSEQUENTLY TO SAID DATE IN ANY LEASE THAT IS IN EFFECT ON SAID FEBRUARY 02, 1974, COVERING SAID LAND OR ANY PART THEREOF, THEN AND IN THAT EVENT THE GRANTORS EXCEPT AND RESERVE TO THEMSELVES, THEIR SUCCESSORS AND ASSIGNS, $\frac{1}{2}$ OF ALL OIL, GAS, MINERALS OR HYDROCARBON SUBSTANCES PRODUCED FROM SAID LAND DURING THE TERM OF SAID LEASE, AND SO LONG AS OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES ARE PRODUCED FROM SAID LAND; ALSO RESERVING THE RIGHT OF ENTRY UPON THE SURFACE AND INTO THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND PRODUCING SAID SUBSTANCES, OR ANY OF THEM; AND FURTHER RESERVING $\frac{1}{2}$ OF ANY BONUS OR RENTAL PAID BY ANY LESSEE ON ACCOUNT OF ANY SUCH OIL, GAS, MINERAL OR OTHER HYDROCARBON LEASE COVERING SAID LAND.

PARCEL 2A:

AN EASEMENT FOR INGRESS AND EGRESS AND FOR PUBLIC UTILITIES OVER THE NORTH 12 FEET OF THE WEST 400 FEET OF THE NORTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, IN THE RANCHO LOS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL C:

PARCEL 1:

THE NORTH 45 FEET OF THE SOUTH 200 FEET OF THE WEST 400 FEET OF THE NORTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 34, IN TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 51, PAGE 7, ET SEQ., MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR THE OPERATION AND MAINTENANCE OF WATER PIPE LINES OVER THE EAST 6 FEET OF SAID WEST 400 FEET OF THE NORTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THE NORTH 12 FEET.

ALSO EXCEPTING THE SOUTH 200 FEET THEREOF.

PARCEL 3:

THE SOUTH 200 FEET OF THE WEST 400 FEET OF THE NORTH ½ OF THE NORTH ½ OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 34 IN TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 51, PAGE 7, ET SEQ., MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

EXCEPT THE NORTH 45 FEET THEREOF;

ALSO EXCEPT THEREFROM THE SOUTH 84 FEET THEREOF.

PARCEL 4:

THE SOUTH 84 FEET OF THE WEST 400 FEET OF THE NORTH ½ OF THE NORTH ½ OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 51, PAGE 10 ET SEQ., OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

EXCEPT ALL RIGHT, TITLE AND INTEREST IN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS LYING IN AND UNDER THE SURFACE OF THE FOLLOWING DESCRIBED PROPERTY, BELOW THE DEPTH OF FIVE HUNDRED FEET, UNTIL FEBRUARY 02, 1974. PROVIDED, HOWEVER THAT SHOULD OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES BE DISCOVERED BELOW THE DEPTH OF FIVE HUNDRED FEET PRIOR TO FEBRUARY 02, 1974, OR BE DISCOVERED IN ANY WELL BEING DRILLED ON SAID DATE OR BE DISCOVERED SUBSEQUENTLY TO SAID DATE IN ANY LEASE THAT IS IN EFFECT ON FEBRUARY 02, 1974, COVERING SAID PROPERTY, OR ANY PART THEREOF, THEN AND IN THAT EVENT, THE ABOVE NAMED GRANTEE HEREIN, OR THEIR SUCCESSORS AND ASSIGNS, SHALL BE ENTITLED TO ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES PRODUCED FROM SAID PROPERTY BELOW SAID FIVE HUNDRED FOOT DEPTH DURING THE TERM OF SAID LEASE AND SO LONG AS OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES ARE SO PRODUCED, THEY HAVING THE RIGHT OF ENTRY INTO THE SUBSURFACE OF SAID LAND BELOW THE DEPTH OF FIVE HUNDRED FEET BY THE METHOD COMMONLY KNOWN AS WHIPSTOCKING OR SLANT DRILLING FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND PRODUCING SAID SUBSTANCES OR ANY OF THEM.

PARCEL D:

LOTS 215, 216 AND 217 OF TRACT NO. 2012, AS SHOWN ON A MAP RECORDED IN BOOK 55, PAGES 47, 48 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

ALSO EXCEPT THEREFROM ALL WATER AND SUBSURFACE WATER RIGHTS, WITHOUT THE RIGHT OF SURFACE ENTRY, BELOW A DEPTH OF 500 FEET, AS DEDICATED OR RESERVED IN INSTRUMENTS OF RECORD.

PARCEL E:

LOT 7 IN TRACT NO. 2782, AS PER MAP RECORDED IN BOOK 89, PAGES 24 AND 25 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL F:

THE NORTH 129.44 FEET OF THE SOUTH 258.88 FEET OF THE WEST ½ OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, COUNTY OF ORANGE, STATE OF CALIFORNIA.

PARCEL G:

PARCEL NO. 1:

LOT 8 OF TRACT NO. 2782, AS PER MAP RECORDED IN BOOK 89, PAGES 24 AND 25 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 65.75 FEET THEREOF.

PARCEL NO. 2:

THE WESTERLY 65.75 FEET OF LOT 8 OF TRACT NO. 2782, AS PER MAP RECORDED IN BOOK 89, PAGES 24 AND 25 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL H:

LOT 214 OF TRACT NO 2012, AS PER MAP RECORDED IN BOOK 55, PAGE 47 TO 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ½ OF ALL OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING FOR, BORING, EXTRACTING, DRILLING, MINING, PROSPECTING FOR, REMOVING OR MARKETING SAID SUBSTANCES, AS RESERVED IN VARIOUS DEEDS OF RECORD.

ALSO EXCEPT AN UNDIVIDED ¼ INTEREST IN ALL OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHTS OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR, BORING, EXCAVATING, DRILLING, MINING, PROSPECTING FOR, REMOVING, OR MARKETING SAID SUBSTANCES, AS RESERVED IN VARIOUS DEEDS OF RECORD.

PARCEL I:

LOT 213 OF TRACT NO. 2012, AS PER MAP RECORDED IN BOOK 55, PAGE 47 TO 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ½ OF ALL OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING FOR, BORING, EXTRACTING, DRILLING, MINING, PROSPECTING FOR, REMOVING OR MARKETING SAID SUBSTANCES, AS RESERVED IN VARIOUS DEEDS OF RECORD.

ALSO EXCEPT AN UNDIVIDED ¼ INTEREST IN ALL OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHTS OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND, FOR

THE PURPOSE OF EXPLORING FOR, BORING, EXCAVATING, DRILLING, MINING, PROSPECTING FOR, REMOVING, OR MARKETING SAID SUBSTANCES, AS RESERVED IN VARIOUS DEEDS OF RECORD.

APN(S): 231-521-08, 231-521-03, 231-521-05, 231-491-19, 231-491-12, 231-521-04, 231-521-07, 231-521-10, 231-521-06, 231-521-09, 231-491-18, 231-491-13, 231-491-21, 231-491-20, 231-521-01 AND 231-521-02

The First American Corporation
First American Title Company
Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - (a) building;
 - (b) zoning;
 - (c) land use;
 - (d) improvements on the Land;
 - (e) land division; and
 - (f) environmental protection.

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

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - (c) that result in no loss to You; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

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

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

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

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

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

EXCLUSIONS FROM COVERAGE

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

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

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

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

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

Re: Lunch today

Subject: Re: Lunch today
From: Allan Roeder <allanr@ci.garden-grove.ca.us>
Date: Thu, 4 Jun 2015 08:53:04 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

Perfect...just wander over when you have time.

----- Original Message -----

From: "Matthew Reid" <matt.reid@landanddesign.com>
To: "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>
Sent: Thursday, June 4, 2015 8:44:34 AM
Subject: Re: Lunch today

yes, thats great. I'll be in City Hall at 10am (meeting with Planning), so after that meeting I can come and see you.

I just returned from meetings in New York with Hard Rock and wanted to provide you with an update.

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - matthew.reid.ca
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jun 4, 2015, at 8:42 AM, Allan Roeder <allanr@ci.garden-grove.ca.us> wrote:

Matt,

I've already got a commitment today at noon in Santa Ana that I've already had to reschedule once. I can probably push it back to 12:30 if we can get together for coffee somewhere around 11:30 and I can go directly to my next appointment...will that work for you??

Allan

----- Original Message -----

From: "Matthew Reid" <matt.reid@landanddesign.com>
To: "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>
Sent: Thursday, June 4, 2015 7:35:34 AM
Subject: Lunch today

Allan,

Re: Lunch today

Do you have time for lunch today around 11.30?

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - matthew.reid.ca
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

Subject: Re: Will Serve Letter for Water
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Thu, 4 Jun 2015 16:29:22 -0700
To: "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>
CC: Greg Blodgett <Greg1@ci.garden-grove.ca.us>

Really need this...
Any update? Can you simply rewrite one?

Matthew Reid
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Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On May 21, 2015, at 7:49 AM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Allan,

I've mentioned to Greg several times now that I need a copy of the "will serve" letter from the water district that was received during the entitlement stage of Site C when it was entitled a few years ago. In light of further water restrictions undoubtedly coming upon southern california, it is possible we get the project teed up and not have the ability to get water meters.

Water districts are required, during environmental reviews, to issue "will serve" letters for potential projects and account for them in their demand projections (which I'm sure you already know).

Because the CA drought is national news, investors want to know we will get water meters when investment is made....

I'm not sure what the hold up is as I've not received anything yet. Can you please have someone find the document or request a new or duplicate from the water district please?

Let me know if you have any questions.

Thank you

Matthew Reid
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matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

RE: Traffic is 26,400 at harbor

Subject: RE: Traffic is 26,400 at harbor

From: "Ziad Khan" <zkhan@langdonwilson.com>

Date: Thu, 4 Jun 2015 17:10:01 -0700

To: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>

CC: "Matt Reid" <matt.reid@landanddesign.com>, "David A. Rose III" <drose3@charter.net>

Greg,

Thanks for the info.

We would also need to look at future projections so if you can get us numbers north of Chapman and also let us know if the traffic volumes for the McWhinney Great Wolf Project would increase the volume from 26,400 in the future...

Regards,

Ziad Khan

Langdon Wilson International

1055 Wilshire Blvd. Ste 1500

Los Angeles, California 90017

Phone: 213.250.1186 ext 224

Fax: 213.482.4654

Mobile: 626.688.9468

Email: zkhan@langdonwilson.com

Website: www.langdonwilson.com

-----Original Message-----

From: Greg Blodgett [<mailto:greg1@ci.garden-grove.ca.us>]

Sent: Thursday, June 04, 2015 11:56 AM

To: zkhan@langdonwilson.com

Subject: Traffic is 26,400 at harbor

Subject: Re: Will Serve Letter for Water
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Thu, 4 Jun 2015 18:23:02 -0700
To: "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>
CC: Greg Blodgett <Greg1@ci.garden-grove.ca.us>, Bill Murray <wem@ci.garden-grove.ca.us>

Thank you

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
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Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

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On Jun 4, 2015, at 5:19 PM, Allan Roeder <allanr@ci.garden-grove.ca.us> wrote:

Matt,

I can't write one - I have no legal authority to do so and it would never hold up in court if I did.

Bill Murray has the original Psomas Report and I know he and his staff are going through it in detail to insure the "will serve" letter that is issued to you is fully legal and will stand up to public and private scrutiny. Anything less than that puts the project at risk which nobody wants.

I absolutely know both you and the investors are anxious to have this in hand - we get that explicitly.

Allan

----- Original Message -----

From: "Matthew Reid" <matt.reid@landanddesign.com>
To: "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>
Cc: "Greg Blodgett" <Greg1@ci.garden-grove.ca.us>
Sent: Thursday, June 4, 2015 4:29:22 PM
Subject: Re: Will Serve Letter for Water

Really need this....

Any update? Can you simply rewrite one?

Matthew Reid
Land & Design, Inc.
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matt.reid@landanddesign.com

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On May 21, 2015, at 7:49 AM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Allan,

I've mentioned to Greg several times now that I need a copy of the "will serve" letter from the water district that was received during the entitlement stage of Site C when it was entitled a few years ago. In light of further water restrictions undoubtedly coming upon southern california, it is possible we get the project teed up and not have the ability to get water meters.

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Let me know if you have any questions.

Thank you

Matthew Reid
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3755 Avocado Blvd | #516 | LaMesa, CA 91942
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Skype - [matthew.reid.ca](https://www.skype.com/people/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

Subject: Site "C" Meeting Update

From: Maria Parra <mariap@ci.garden-grove.ca.us>

Date: Fri, 5 Jun 2015 14:30:48 -0700 (PDT)

To: Susan Emery <susan1@ci.garden-grove.ca.us>, Karl Hill <karlh@ci.garden-grove.ca.us>, "James H. Eggart" <jeggart@wss-law.com>, matt.reid@landanddesign.com, zkhan@langdonwilson.com, Greg Blodgett <greg1@ci.garden-grove.ca.us>

All:

The next scheduled project update meeting is June 18, 2015 at 10 a.m. in the Planning Conference Room at City Hall.

Below is a summary of the discussion:

L&D will:

- provide city staff with copies of sign ordinances from cities that have adopted sign regulations similar to the signs proposed
- discuss the potential environmental issues associated with the proposed signs with an environmental consultant
- provide city staff with a new project description and plans showing the proposed site and building design noting the changes from the approved sign (see attached rendering). Staff will discuss the changes with the environmental consultant, Janya Morgan from AECOM, to determine if the proposed scope will not create new impacts that were not addressed in the environmental study
- L&D to contract with AECOM for the necessary environmental review

Greg Blodgett will:

- provide traffic counts to L&D, along with the development impact fees

Other approvals necessary:

- Tentative tract map
- Development agreement
- Code amendment for the proposed LED signs
- Environmental review for the sign amendment (L&D)
- If necessary, new environmental review if the new project scope was not addressed in the approved environmental study (L&D will contract with AECOM)

If additional information needs to be included, please let me know.

Best regards,

Maria Parra

Urban Planner

City of Garden Grove | Planning Services Division

11222 Acacia Parkway, Garden Grove, CA 92840

(714) 741-5312 | (714) 741-5578 fax

mariap@ci.garden-grove.ca.us | www.ci.garden-grove.ca.us

Community Development Department of the City of Garden Grove

"Providing Quality Services Through Creativity and Collaboration"

City Hall Hours:

Monday-Thursday: 7:30 a.m. to 5:30 p.m.

First Friday of the Month: 7:30 a.m. to 5:00 p.m.

Direct Website Links:

[Planning Division](#)

[Municipal Code, Title 9, Land Use](#)

[Zoning Map](#)

Subject:

From: Greg Blodgett <greg1@ci.garden-grove.ca.us>

Date: Tue, 9 Jun 2015 11:00:53 -0700 (PDT)

To: Matthew Reid <matt.reid@landanddesign.com>

can you send the scope of services for site c parcel/tract map and bid

Greg Blodgett
SR Project Manager
City of Garden Grove
Economic Development

Subject: Re: Will Serve Letter for Water

From: Matthew Reid <matt.reid@landanddesign.com>

Date: Tue, 16 Jun 2015 08:59:42 -0700

To: Bill Murray <wem@ci.garden-grove.ca.us>

CC: Greg Blodgett <Greg1@ci.garden-grove.ca.us>, "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>

Bill,

Do you have any update on this?

Please advise.

Thank you

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91942

858.735.1858 cell

Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jun 4, 2015, at 6:23 PM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Thank you

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91942

858.735.1858 cell

Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)

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Allan

----- Original Message -----

From: "Matthew Reid" <matt.reid@landanddesign.com>

To: "Allan L. Roeder" <allanr@ci.garden-grove.ca.us>

Cc: "Greg Blodgett" <Greg1@ci.garden-grove.ca.us>

Sent: Thursday, June 4, 2015 4:29:22 PM

Subject: Re: Will Serve Letter for Water

Really need this....

Any update? Can you simply rewrite one?

Matthew Reid

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Thank you

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Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

Subject: Cad files of site
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Wed, 17 Jun 2015 07:22:28 -0700
To: Greg Blodgett <Greg1@ci.garden-grove.ca.us>

Greg,

Per our conversation yesterday, please try and get the CAD files from your surveyor for our site.
Thanks

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

Fwd: Site Plan in Cadd

Subject: Fwd: Site Plan in Cadd
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:25:43 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>
To: "Greg Blodgett" <Greg1@ci.garden-grove.ca.us>, "Paul Guerrero" <paulg@ci.garden-grove.ca.us>
Sent: Wednesday, August 17, 2011 2:05:03 PM
Subject: FW: Site Plan in Cadd

Here you go. Let us know if there is a problem reading the file.

Take Care,

Jayna Morgan

AECOM

T. 949.660.8044

From: Dubon, Jennifer
Sent: Wednesday, August 17, 2011 1:58 PM
To: Morgan, Jayna
Subject: RE: Site Plan in Cadd

Jayna,

Attached please find the CAD File as sent to us by Matt Reid.

From: Morgan, Jayna
Sent: Wednesday, August 17, 2011 12:30 PM

To: Yang, Wendy; Dubon, Jennifer
Cc: Suthiwan, Popy
Subject: Site Plan in Cadd

Hi Guys,

I just received a call from the Garden Grove clients (Greg and Paul) and they need a copy of the Site Plan in CADD for a grant they are preparing. They asked if we could e-mail it to them. I said we would either e-mail it or upload it to the FATP site.

Let me know if you could do that today as I told them I would get back to them.

Thank you!!

Jayna Morgan
Environmental Planner
Design + Planning
jayna.morgan@aecom.com

AECOM
2737 Campus Drive, Irvine, CA 92612 USA
T 949.660.8044 F 949.660.1046
www.aecom.com

x-site_3.3 - Standard.zip

Content-Type: application/zip
Content-Encoding: base64

Subject: Fwd: Alta Survey - CAD
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:32:24 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Wendy Yang" <Wendy.Yang@aecom.com>
To: "Paul Guerrero" <paulg@ci.garden-grove.ca.us>, "Greg Blodgett" <Greg1@ci.garden-grove.ca.us>
Cc: "Jayna Morgan" <Jayna.Morgan@aecom.com>
Sent: Monday, March 19, 2012 12:10:56 PM
Subject: Alta Survey - CAD

Greg and Paul,

Per your request, attached are the CAD files.

I spoke with Jayna this morning and we will need additional budget to perform work outside of the Land Use permit.

Thanks,

Wendy

plot.log

P:\2012\60241489_Site_C_MP\08SOURCE_IN\20120127 Alta Survey\CAD Files\PL-ALTA-GARDEN GROVE.dwg, Sheet 4, 1/31/2012 9:31:40 AM, dubonj, Adobe PDF, Letter, 1:1,
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PL-ALTA-GARDEN GROVE.dwg

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plot.log

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V-BNDY - Garden Grove ALTA.dwg

V-BNDY - Garden Grove ALTA.dwg	Content-Type: image/vnd.dwg Content-Encoding: base64
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Subject: Fwd: Preliminary site boundary data and site layout for Lot C
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:32:42 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Charlie Liu" <focusengring@sbcglobal.net>
To: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>, "Paul Guerrero" <paulg@ci.garden-grove.ca.us>, "Wendy Yang" <Wendy.Yang@aecom.com>
Cc: "Don Barrie" <DBA123@aol.com>
Sent: Thursday, April 19, 2012 12:25:55 PM
Subject: Preliminary site boundary data and site layout for Lot C

Dear Greg, Paul and Wendy:

As per our telephone conversation, attached please find the following draft site information for you to review, comments and direction.

1. Overall site / boundary calculations with found GPS and/ or OC mon. well.
2. Site boundary information and existing Sheraton Hotel entry way location.
3. Preliminary site layout. Please be advised that there is an approximately 15-foot distance differential between the proposed centerline of the driveway of the Lot C and the existing centerline of the driveway of Sheraton Hotel as shown on the plan.
4. Draft copy of the Tentative Map.

The Cad file includes all information for your convenience. We are continuing to fine tune the data and will send it to you as soon as possible.

Thank you for your time and attention in this matter. Please call if you have any questions.

Charlie

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20120419-base-draft.dwg	Content-Type: image/vnd.dwg Content-Encoding: base64
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~~20120419-draft boundary data.pdf~~

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20120419-preliminary site base.pdf

20120419-preliminary site base.pdf	Content-Type: application/pdf Content-Encoding: base64
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20120419-TENT-MAP-DRAFT.pdf

20120419-TENT-MAP-DRAFT.pdf	Content-Type: application/pdf Content-Encoding: base64
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EXISTING
SHERATON
HOTEL SITE

EXISTING
DRIVEWAY

EXISTING CURB

HARBOR BOULEVARD

EXISTING CURB

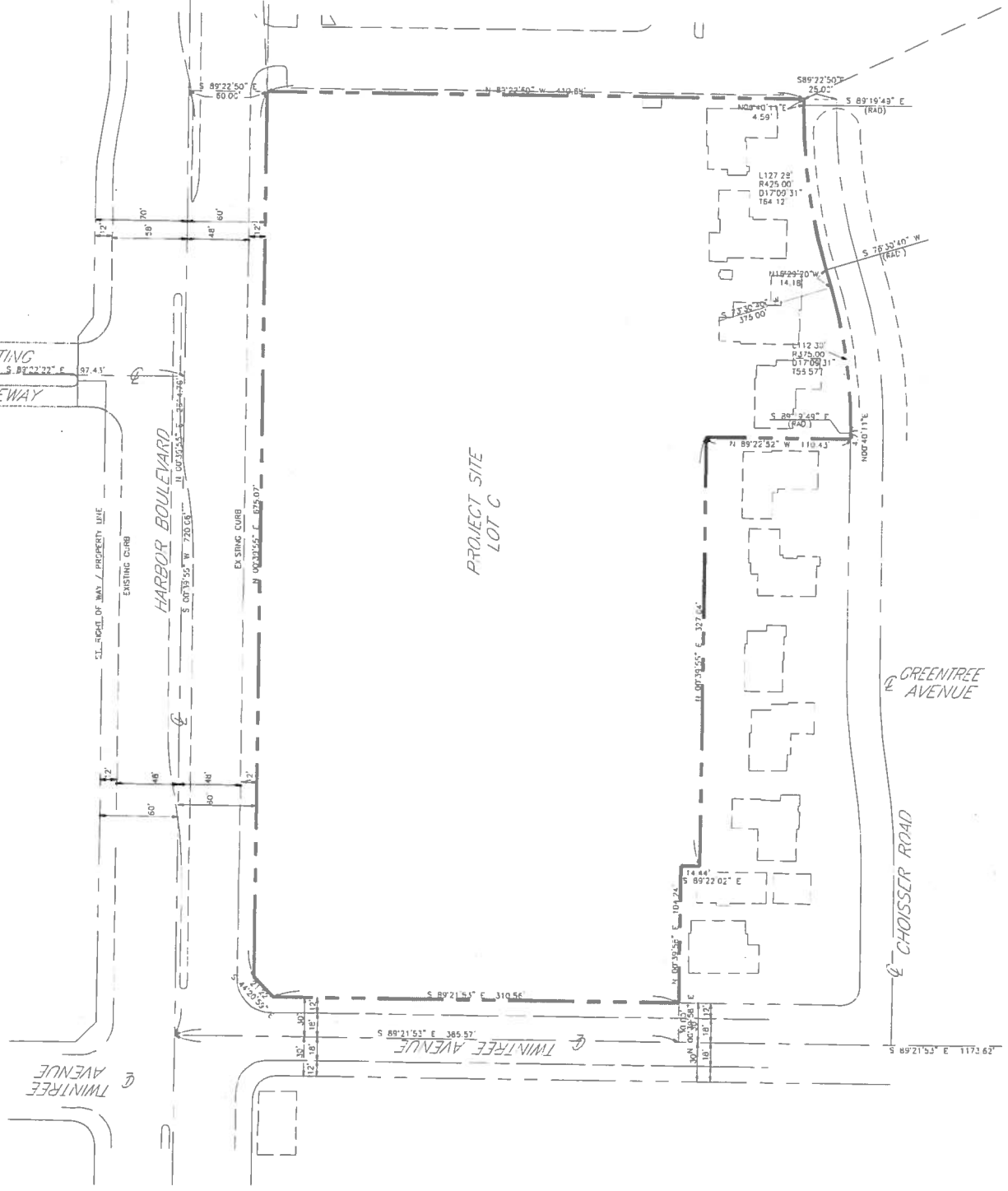
PROJECT SITE
LOT C

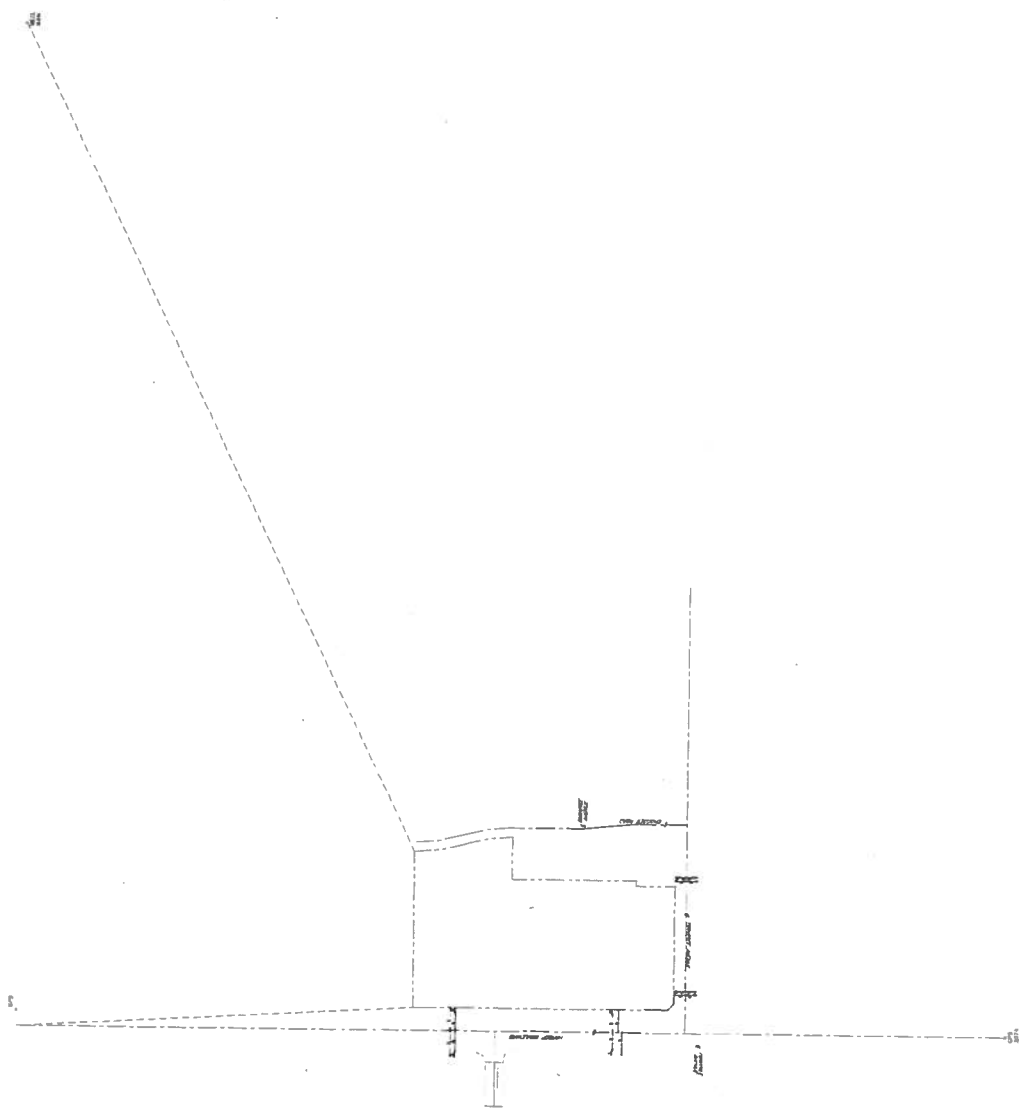
GREENTREE AVENUE

CHOISSEY ROAD

TWIN TREE AVENUE

TWIN TREE AVENUE





EXISTING
SHERATON
HOTEL SITE

EXISTING
DRIVEWAY

ST. RIGHT OF WAY / PROPERTY LINE
EXISTING CURB

HARBOR BOULEVARD

EXISTING CURB

RESTAURANT #2

RESTAURANT #1

HOTEL #1

HOTEL #2

PARKING STRUCTURE

PROJECT SITE
LOT C

PARKING STRUCTURE

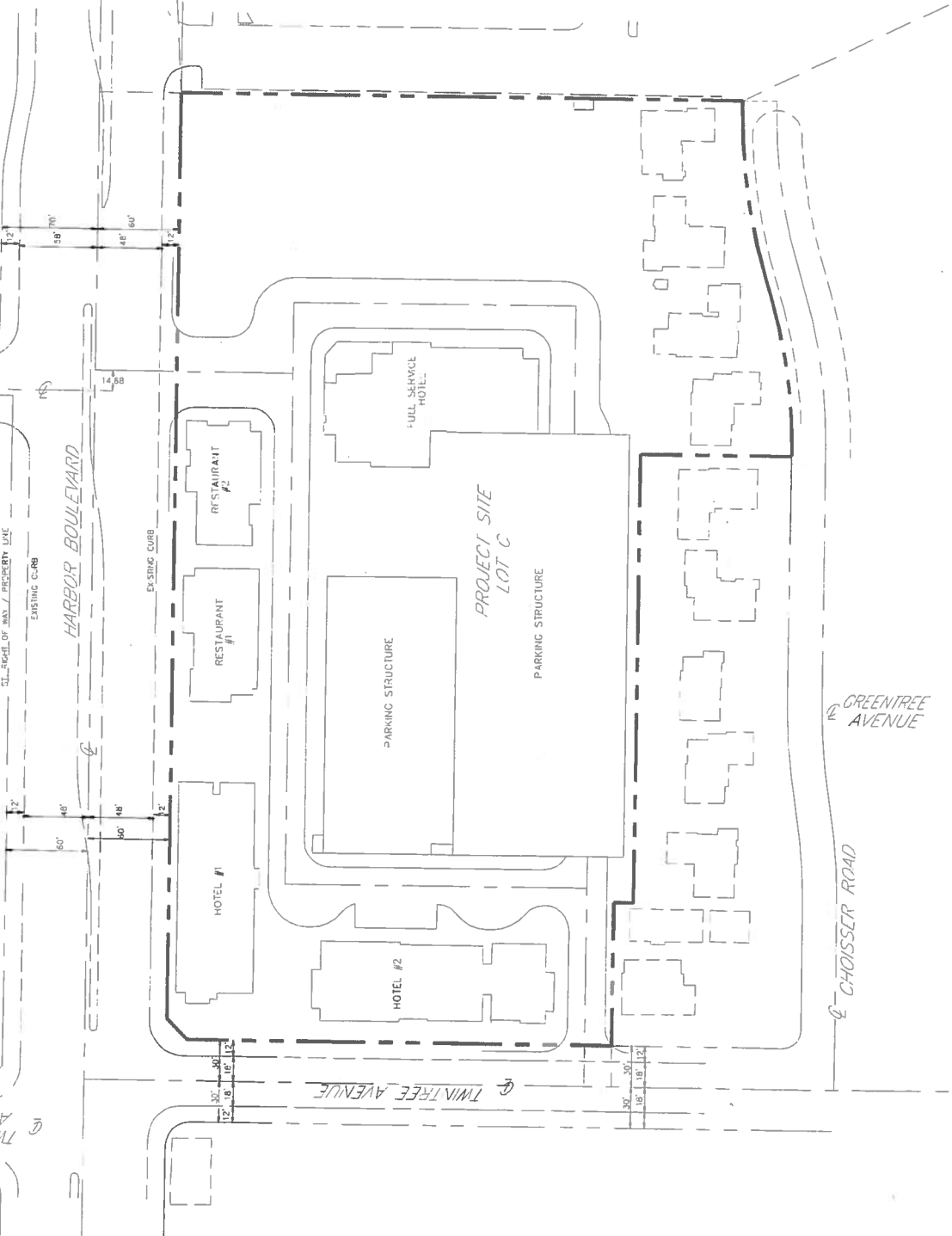
FULL SERVICE
HOTEL

GREEN TREE AVENUE

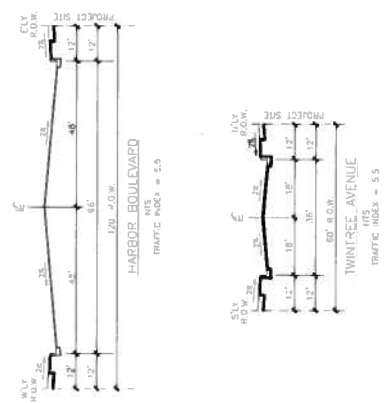
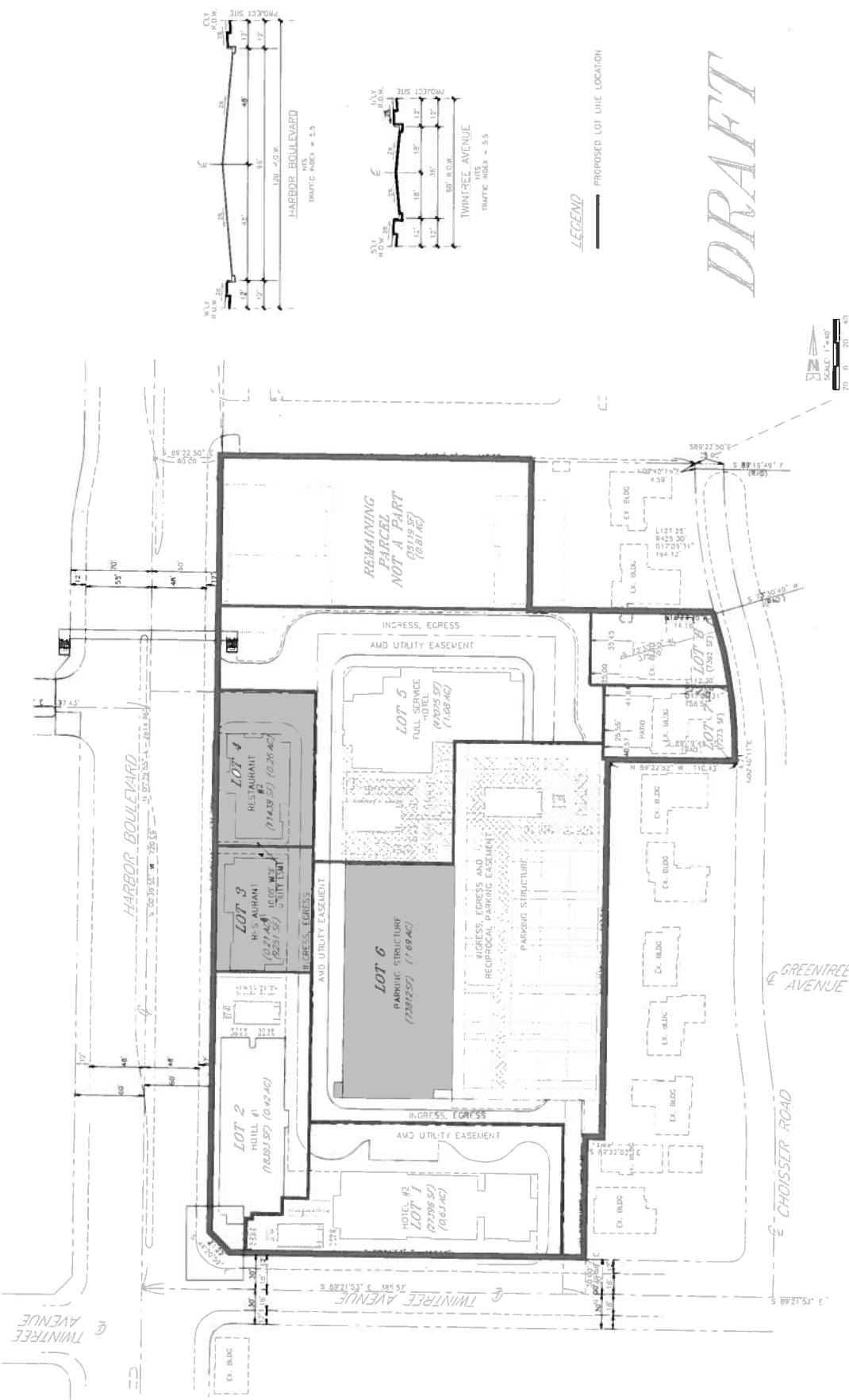
CHOISSER ROAD

TWINTREE AVENUE

TWINTREE AVENUE



VESTING TENTATIVE TRACT 17455



LEGEND

DRAFT



- LEGEND:
- PC FLOOR CURB
 - PS FINISHED SURFACE
 - PF FINISHED FLOOR
 - PAID PAVED FLOOR
 - LOD OF WALL
 - N LIGHT
 - U UTILITY
 - PH PROPERTY LINE
 - INC INCURVED WAY
 - EX EXISTING ELEVATION
 - TR TRAFFIC MARK
 - CL CURB MARK
 - PROPERTY LINE
 - EXISTING CONTOURS
 - EXISTING ELEVATION
 - UNIT OF OVERCATION
 - CON/TEL DASH/SLT LINE
 - CON/TEL DASH/SLT LINE
 - PROPERTY LINE
 - ANY FRACTACH/UNIT AREA

CITY OF GARDEN GROVE		SHEET	3
VESTING TENTATIVE TRACT 17455		OF	N
TENTATIVE TRACT MAP			
(POST DEVELOPMENT CONDITION)			
APPROVED	PREPARED: 2012-04-19		
PRINT:			

REVISIONS

NO.	DATE	DESCRIPTION

CIVIL ENGINEER:
 FOCUS ENGINEERING, INC.
 CARL EAGHERS AND SURVEYORS
 25 MANUEL V. SUT N. J17
 GARDEN GROVE, CA 92743
 TEL: (949) 450-0592
 FAX: (949) 450-0592
 E-MAIL: focuseng@focuseng.com

PROJECT ARCHITECT
 AECOM
 2717 CAMPUS DRIVE
 IRVINE, CA 92614
 TEL: (949) 620-0044
 FAX: (949) 620-1046
 E-MAIL: www.aecom.com

OWNER:
 GARDIN GROVE AGENCY FOR
 ECONOMIC DEVELOPMENT
 11221 ACORN PARKWAY
 GARDEN GROVE, CA 92743
 TEL: (714) 741-3100
 FAX: (714) 741-3124
 E-MAIL:

Subject: Fwd: Lot "C" - site base plan - 2012-05-01 progress
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:33:07 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Charlie Liu" <focusengring@sbcglobal.net>
To: "Wendy Yang" <Wendy.Yang@aecom.com>, "Greg Blodgett" <greg1@ci.garden-grove.ca.us>, "Paul Guerrero" <paulg@ci.garden-grove.ca.us>, "Karl Hill" <karlh@ci.garden-grove.ca.us>, "Maria Parra" <mariap@ci.garden-grove.ca.us>
Sent: Tuesday, May 1, 2012 10:49:55 AM
Subject: Lot "C" - site base plan - 2012-05-01 progress

Dear Wendy:

Based upon the previous site plan, our telephone conversation and field survey data, attached please find the engineering site base for you to review, comments and direction.

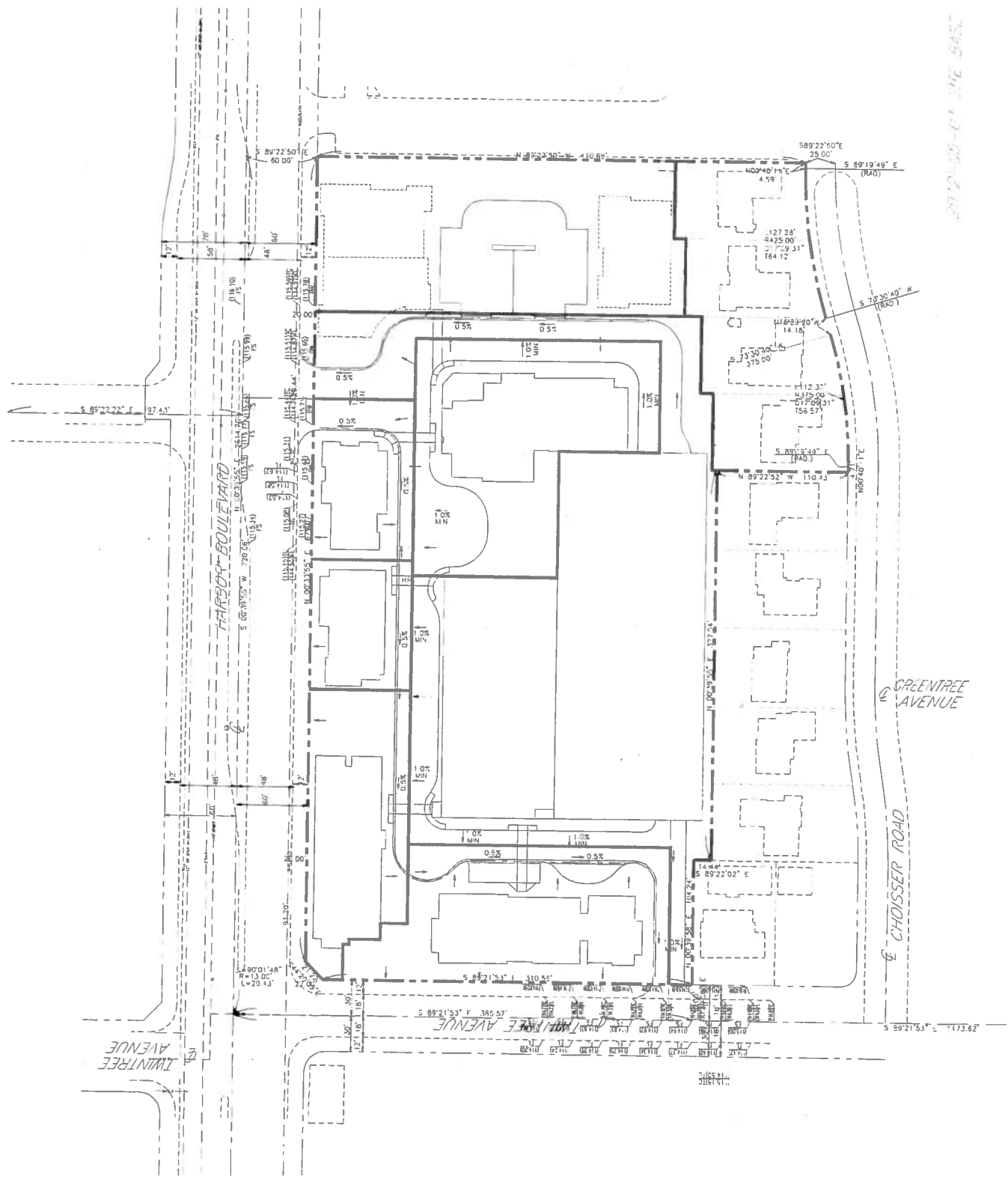
Thank you for your time and attention in this matter. Please call or e-mail if you have any questions or I can be of any further assistance.

Charlie

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2012-05-01 11:56:52

GREENTREE AVENUE

CHOISSEY ROAD

TWIN TREE AVENUE

TARPON BOULEVARD

Subject: Fwd: City of Garden Grove - Site C Draft Site Plan
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:33:19 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Charlie Liu" <focusengring@sbcglobal.net>
To: "Wendy Yang" <Wendy.Yang@aecom.com>, "Greg Blodgett" <greg1@ci.garden-grove.ca.us>, "Paul Guerrero" <paulg@ci.garden-grove.ca.us>, "Karl Hill" <karlh@ci.garden-grove.ca.us>, "Maria Parra" <mariap@ci.garden-grove.ca.us>, "Carlos Marquez" <carlosma@ci.garden-grove.ca.us>
Cc: "Jayna Morgan" <Jayna.Morgan@aecom.com>, "Andrea Pavia" <Andrea.Pavia@aecom.com>
Sent: Thursday, May 17, 2012 1:12:46 PM
Subject: Re: City of Garden Grove - Site C Draft Site Plan

Dear Wendy, Greg, Paul and Carlos:

As per our meeting and your e-mail, attached please find the preliminary site base plan and exhibits (proposed lot area, site dia. plan, proposed easements and existing utilities) for your to review, comments, information and use.

Thank you for your time and attention in this matter. Please call if you have any questions.

Charlie

From: "Yang, Wendy" <Wendy.Yang@aecom.com>
To: Greg Blodgett <greg1@ci.garden-grove.ca.us>; Paul Guerrero <paulg@ci.garden-grove.ca.us>; Karl Hill <karlh@ci.garden-grove.ca.us>; Maria Parra <mariap@ci.garden-grove.ca.us>
Cc: "Morgan, Jayna" <Jayna.Morgan@aecom.com>; "Pavia, Andrea" <Andrea.Pavia@aecom.com>; Charlie Liu <focusengring@sbcglobal.net>
Sent: Wed, May 16, 2012 3:16:01 PM
Subject: City of Garden Grove - Site C Draft Site Plan

Dear City of Garden Grove,

Please follow the link below to download the "draft site plan" for your review and comment. I have also included "draft parcel map" from Charlie as AECOM and Focus have been working closely during this stage to ensure all things align.

Wendy Yang has sent you 2 files using AECOM's File Transfer System.

These files will be available for download until 5/23/2012

File

Description

Size

5-16-12_GARDEN GROVE PARCEL C - Site Plan.pdf

957KB

5-16-12_GARDEN GROVE PARCEL C - Parcels Overlay.pdf

972KB

Charlie,

For your use and record, please follow the link below to download the CAD version of the site plan.

Wendy Yang has sent you 1 file using AECOM's File Transfer System.

This file will be available for download until 5/23/2012

File

Description

Size

5-9-12_PL-ALTA-GARDEN GROVE-AP_5-16-2012.dwg

1,340KB

We look forward to your input.

Regards,

Wendy

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20120517-Civil-Utility.pdf

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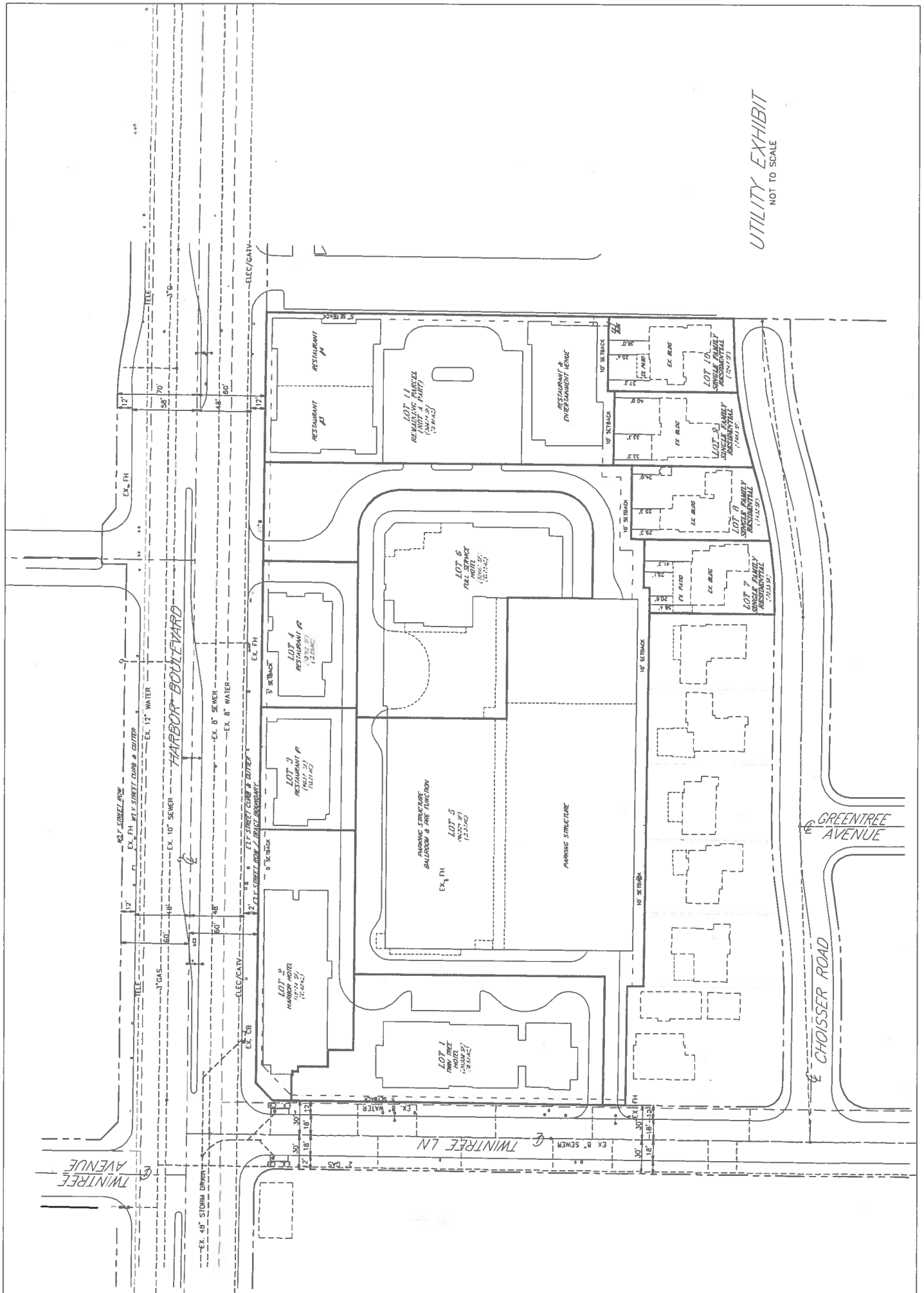
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20120517-Civil-SITEPLAN.pdf

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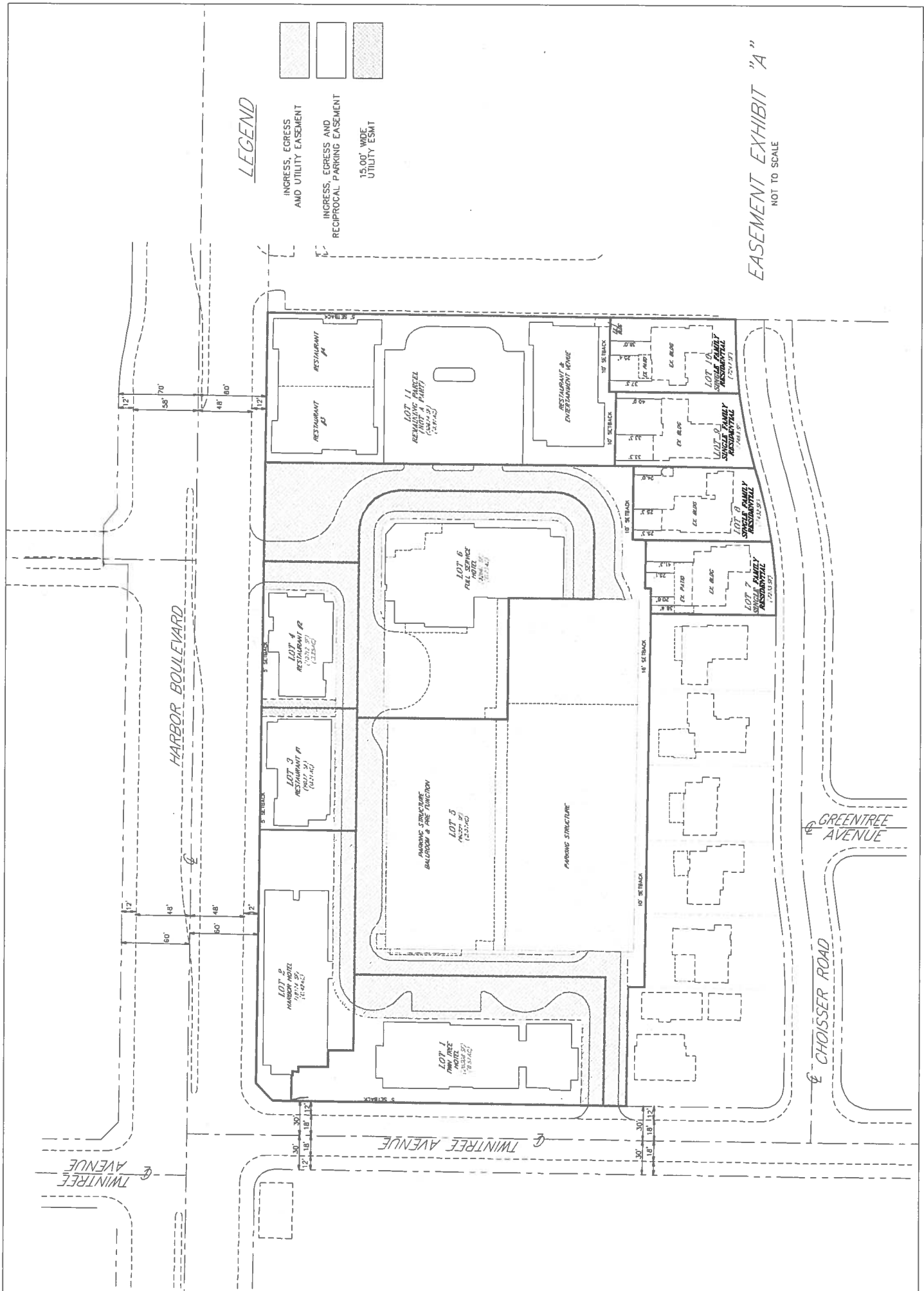
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NOT TO SCALE



EASEMENT EXHIBIT "A"
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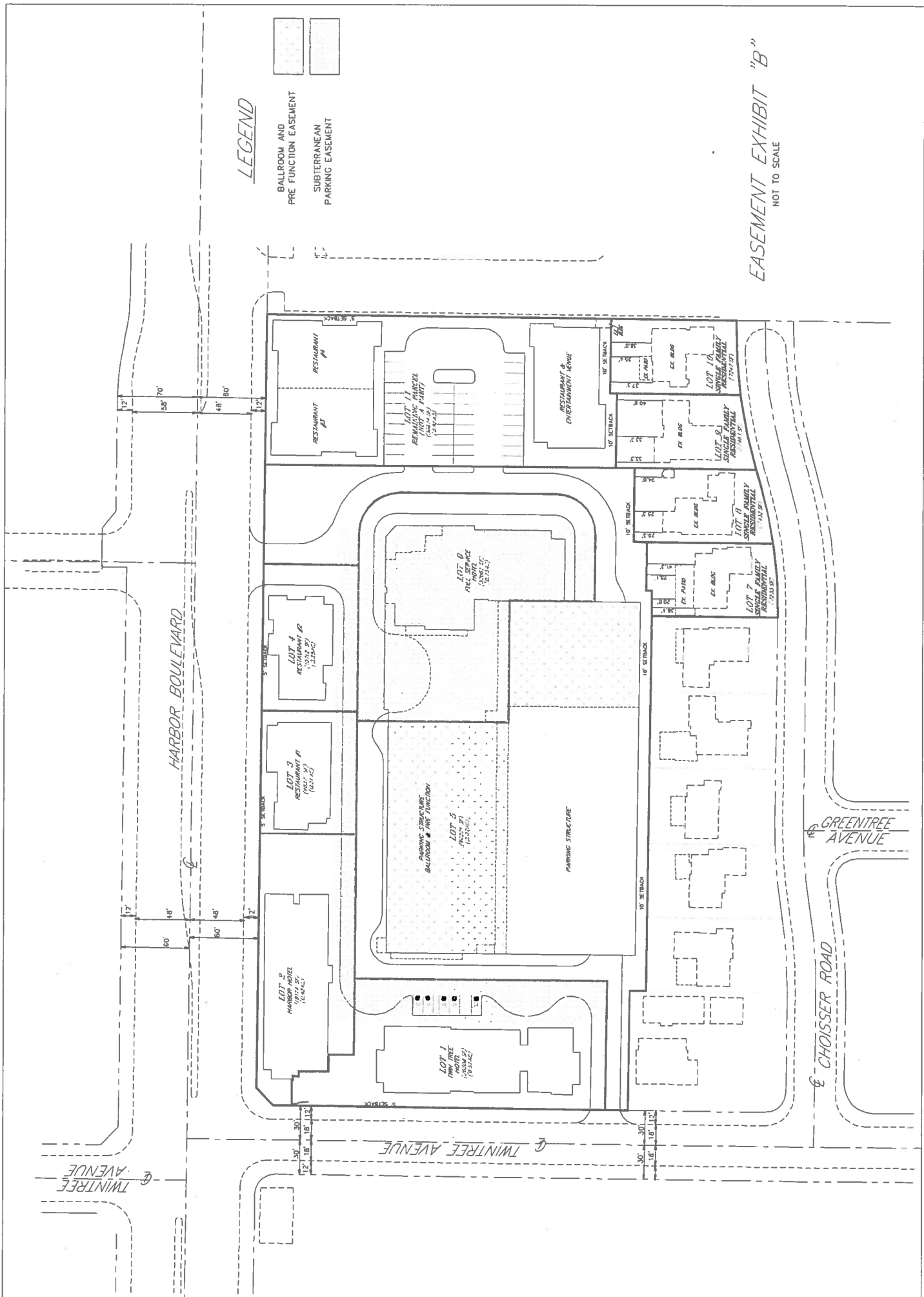
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-  INGRESS, EGRESS AND RECIPROCAL PARKING EASEMENT
-  15.00' WIDE UTILITY ESMT



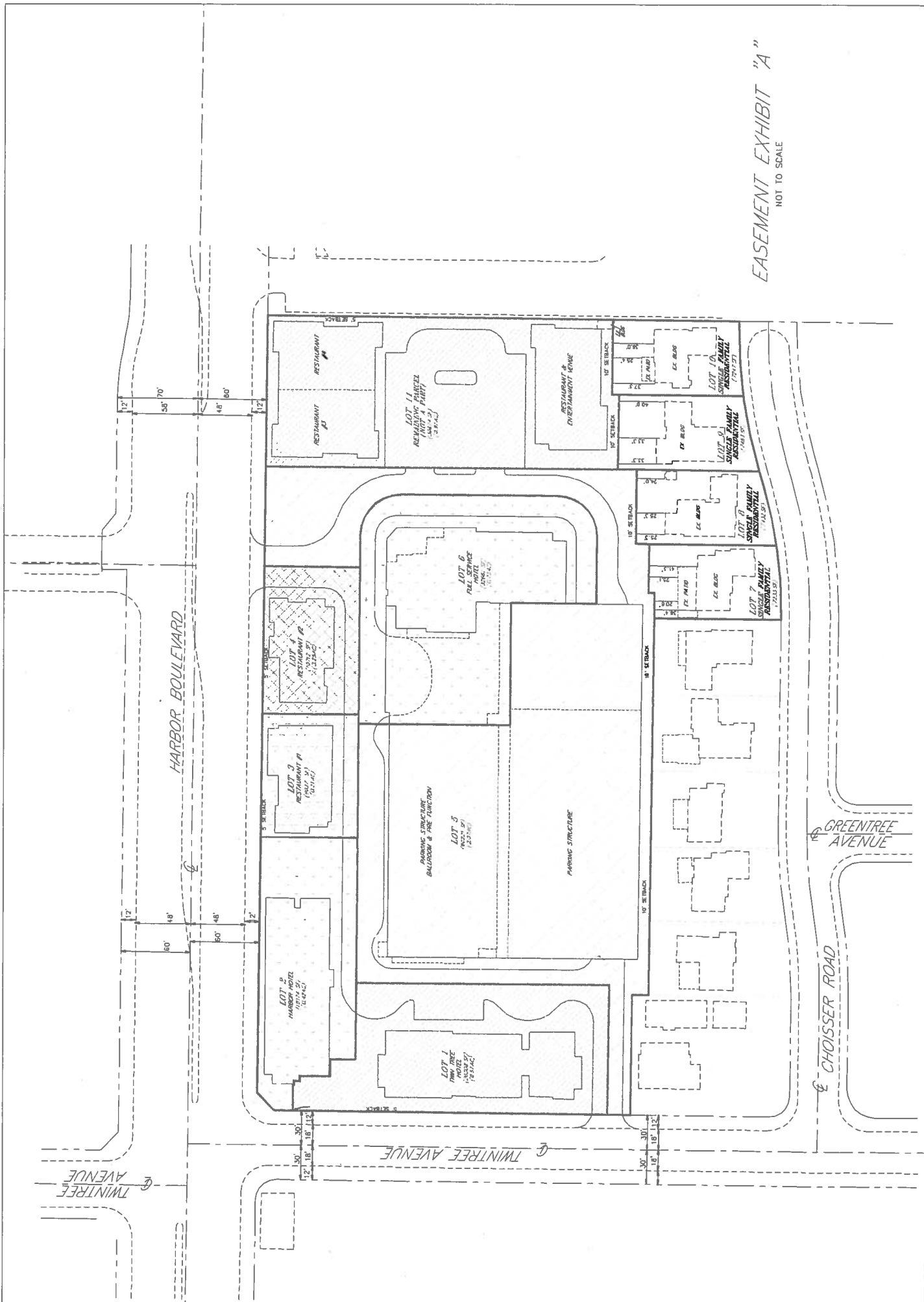
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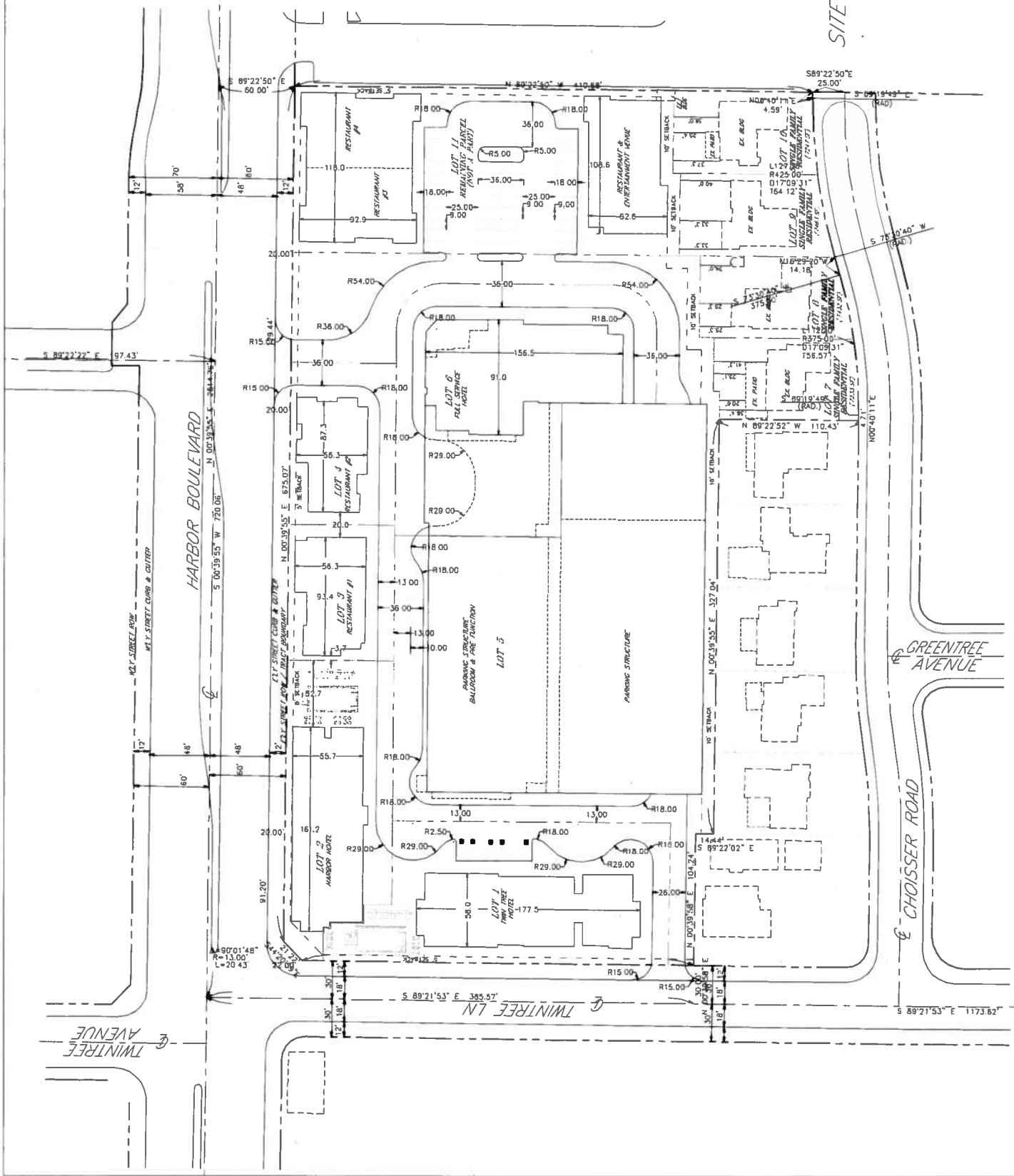
-  BALLROOM AND
PRE FUNCTION EASEMENT
-  SUBTERRANEAN
PARKING EASEMENT



EASEMENT EXHIBIT "A"
NOT TO SCALE



SITE DIMENSION PLAN
NOT TO SCALE



TWIN TREE AVENUE

HARBOR BOULEVARD

GREENTREE AVENUE

CHOISSER ROAD

TWIN TREE LN

Subject: Fwd: Groundwater testing at Waterpark
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:34:00 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Carlos Marquez" <carlosma@ci.garden-grove.ca.us>
To: "Trae Rigby" <traer@mcwhinney.com>, "Greg Blodgett" <greg1@ci.garden-grove.ca.us>
Sent: Thursday, July 26, 2012 10:04:51 AM
Subject: Fwd: Groundwater testing at Waterpark

FYI.

----- Forwarded Message -----

From: "Carlos Marquez" <carlosma@ci.garden-grove.ca.us>
To: "eric kieselbach" <erick@phasei.com>
Sent: Thursday, July 26, 2012 10:04:20 AM
Subject: Groundwater testing at Waterpark

Hi Eric,

Please look at the attached document entitled "Two-Phase Extraction Pilot Test Summary Report," submitted on behalf of BP West Coast Products, LLC by Arcadis US., Inc. on March 9, 2012. The different figures in the report indicate the size and overall direction in which the plumb has traveled. I spoke to Kevin Lambert at OC Health Agency regarding this gas station and he indicated that the plumb has traversed Harbor Boulevard in the N/W direction. I also noticed that this report was not accounted for in the details portion of the Listed Occurrence exhibit (pg 21-23). I think the comment recommending additional groundwater testing can be removed if the following revisions are included in the phase one report:

1. Personal interview with Kevin Lambert detailing the location of the plumb and to verify that the location of the plumb is not on the subject property;
2. Include this report in the phase one and reference the various exhibits depicting the location of the plumb.

Taken together, this should address the plumb issue entirely. Let me know if you have questions. Thank you for your hard work Eric.

-Carlos

--

Carlos Marquez / Sr. Real Property Agent
Public Works Department
City of Garden Grove

*Please note: my new phone number is (714) 741-5181

--

Carlos Marquez / Sr. Real Property Agent

Fwd: Groundwater testing at Waterpark

Public Works Department
City of Garden Grove

*Please note: my new phone number is (714) 741-5181

Two Phase Extraction Pilot Test Summary Report.03.09.2012.pdf

Content-Type: application/pdf
Content-Encoding: base64

wed 17 Jun 2015
08:34:00-0700

BP West Coast Products, LLC

**Two-Phase Extraction Pilot Test
Summary Report**

ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

OCHCA Case No. 93UT47

March 9, 2012



Scott Seyfried
Principal Hydrogeologist (P.G., CH.G)

Casey Sanders
Senior Environmental Scientist

Greg Fiol
Senior Project Manager

Two-Phase Extraction Pilot Test Summary Report

ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

OCHCA Case No. 93UT47

Prepared for:
ARCADIS

Prepared by:
ARCADIS U.S., Inc.
445 South Figueroa Street
Suite 3650
Los Angeles
California 90071
Tel 213.486.9884
Fax 213.486.9894

Our Ref.:
GP09BPNA.C056

Date:
March 9, 2012

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Table of Contents

Acronyms and Abbreviations

1. Introduction

2. Site Background

- 2.1 Site Geology and Hydrogeology
- 2.2 Current Remedial Operations

3. Pilot Test Methods

- 3.1 Pilot Test Setup
 - 3.1.1 Two-Phase Extraction
 - 3.1.2 Dual-Phase Extraction
- 3.2 Pilot Test System Monitoring
- 3.3 Radius of Influence Monitoring
- 3.4 Analytical Sampling
 - 3.4.1 Groundwater
 - 3.4.2 Vapor

4. Pilot Test Results

- 4.1 Groundwater Analytical Results
- 4.2 Influent Vapor Analytical Results
- 4.3 System Monitoring Results
 - 4.3.1 Groundwater Drawdown Monitoring
 - 4.3.2 Groundwater Extraction Radius of Influence Monitoring
 - 4.3.3 Vacuum Extraction Radius of Influence Monitoring
- 4.4 Mass Removal
- 4.5 Air Permit Compliance
- 4.6 Extracted Groundwater Management

5. Conclusions

6. References

Table of Contents

Tables

Table 1	Summary of Groundwater Monitoring Data
Table 2	Summary of Pilot Test Groundwater Monitoring Data
Table 3	Summary of Pilot Test Air Monitoring Data
Table 4	Summary of Pilot Test Operation Data and Mass Removal

Figures

Figure 1	Site Location Map
Figure 2	Groundwater Elevation Contour Map
Figure 3	Groundwater Analyses Map
Figure 4	Dissolved GRO Isoconcentration Map
Figure 5	Dissolved Benzene Isoconcentration Map
Figure 6	Dissolved MTBE Isoconcentration Map
Figure 7	Dissolved TBA Isoconcentration Map
Figure 8	TPE-2 Groundwater Elevation During Pilot Testing
Figure 9	TPE-3 Groundwater Elevation During Pilot Testing
Figure 10	B-12 Groundwater Elevation During Pilot Testing
Figure 11	Groundwater Drawdown During Two-Phase Extraction
Figure 12	TPE-1 Radius of Influence During Pilot Testing

Appendices

A	TPE Pilot Test Work Plan
B	Air and Groundwater Analytical Laboratory Reports
C	Field Notes
D	Waste Manifest and Shipping Documentation

Acronyms and Abbreviations

amsl	above mean sea level
ARCADIS	ARCADIS U.S., Inc.
ARCO	Atlantic Richfield Company
bgs	below ground surface
BTEX	benzene, toluene, ethylbenzene and total xylenes
btoc	below top of casing
CPT	cone penetrometer test
DIPE	di-isopropyl ether
DPE	dual-phase extraction
ETBE	ethyl tertiary butyl ether
ft/ft	foot (feet) per foot
gpm	gallon(s) per minute
GRO	gasoline range organic
GWE	groundwater extraction
HVDPE	high-vacuum dual-phase extraction
inHg	inch(es) of mercury
lbs	pounds
lbs/day	pounds per day
lbs/hr	pounds per hour
LNAPL	light nonaqueous phase liquid

Acronyms and Abbreviations

LRP	liquid ring pump
MTBE	methyl tertiary butyl ether
PID	photo ionization detector
ppmv	parts per million by volume
scfm	standard cubic feet per minute
site	Atlantic Richfield Company Facility No. 5202 at 12502 Harbor Boulevard, Garden Grove, California
summary report	Two-Phase Extraction Pilot Test Summary Report
SVE	soil vapor extraction
TAME	tertiary amyl methyl ether
TBA	tertiary butyl alcohol
TPE	two-phase extraction
USEPA	United States Environmental Protection Agency
UST	underground storage tank
work plan	Two-Phase Extraction Pilot Test Work Plan
µg/L	micrograms per liter

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

1. Introduction

On behalf of BP West Coast Products, LLC, ARCADIS U.S., Inc. (ARCADIS) has prepared this *Two-Phase Extraction Pilot Test Summary Report* (summary report), summarizing pilot testing activities completed from December 20 to 22, 2011 at Atlantic Richfield Company (ARCO) Facility No. 5202 located at 12502 Harbor Boulevard in Garden Grove, California (site). The site location is shown on Figure 1.

Pilot testing activities were conducted at the site in accordance with the *Well Installation Work Plan to Support Further Evaluation of the Two-Phase Extraction Pilot Test* (work plan) dated July 14, 2011 (ARCADIS 2011) and subsequently approved in a letter dated July 28, 2011 from the Orange County Health Care Agency. Pilot testing was completed to determine if two-phase extraction (TPE) may be an appropriate remedial solution to address petroleum-hydrocarbon-related impacts at the site. This report summarizes field and monitoring activities, interprets monitoring data, and provides recommendations for further work based on the results of the pilot testing.

2. Site Background

The site is located on the southwest corner of Harbor Boulevard and Lampson Avenue in Garden Grove, California (Figure 2). The site is currently occupied with a 7-11[®] convenience store with a paved parking lot. Formerly, the site was used as an ARCO retail gasoline station (ARCO's operations ceased in April 2001). When in use as a service station, activities at the site included storage of gasoline in underground storage tanks (USTs) and retail gasoline dispensing at 12 fuel dispensers distributed on three islands. Locations of former USTs and fuel dispensers are shown on Figure 2.

The site is located at an elevation of approximately 110 feet above mean sea level (amsl). Site topography is relatively flat; however, ground surface elevation slopes gently to the southwest at an approximate gradient of 0.0042 foot per foot (ft/ft) (U.S. Geological Survey 1965).

2.1 Site Geology and Hydrogeology

Soil types encountered beneath the site during previous investigations include interlayer sand and silty sand to a depth of approximately 38 to 42 feet below ground surface (bgs). A minimum 10-foot-thick clay layer is present from approximately 38 to 53 feet bgs and appears to be laterally continuous beneath the site. An approximately 2.5- to 4-foot-thick lense of silty sand and sandy silt is present beneath the clay layer.

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

Four cone penetrometer test (CPT) borings were advanced into this clay layer to a total depth of approximately 55 feet bgs during site assessment activities in February 2000. Each of the CPT borings terminated in clay beneath the silty sand, indicating that the potential confining layer between the shallow site groundwater and deeper zone is at least 10 feet thick.

Historically, groundwater has been measured beneath the site at depths ranging from approximately 19 to 32 feet below top of casing (btoc). During the fourth quarter 2011 groundwater monitoring event, depth to groundwater beneath the site ranged from approximately 23.18 to 28.20 feet btoc and the groundwater flow direction was to the southwest at a gradient of 0.031 ft/ft (ARCADIS 2012). Historically, the groundwater flow direction at the site has been consistently toward the west. Historical groundwater monitoring data are presented in Table 1 and the groundwater elevation contour map, analytical data map, and isoconcentration maps for the fourth quarter 2011 are presented as Figures 2 through 7.

2.2 Current Remedial Operations

Remedial measures at this site include operation of a groundwater extraction (GWE) system that includes extraction from wells B-7, B-13, and SV-4 (figure 2), treatment of the extracted water using activated carbon, and discharge of the treated water to the sewer. During the third quarter 2010 reporting period, the GWE system recovered and treated approximately 30,794 gallons of petroleum hydrocarbon impacted groundwater from the site. On August 11, 2010, the system was shut off due to a faulty high level float within the holding tank. The high level float was repaired on August 12, 2010 and the system was restarted. Upon restarting the system, a leak was noticed coming from the first carbon vessel arranged in series. This leak was determined to be non-repairable and it was determined that restarting the treatment system would require replacing the entire carbon vessel, and the GWE system has been off since that time. All water that leaked from the carbon vessel was captured in the secondary containment and transferred back into the holding tank prior to shutting the system off on departure.

A work plan for two-phase extraction pilot testing was submitted to the OCLOP on September 17, 2010. The proposed pilot test included two-phase extraction from well B-12 for three days to collect data regarding potential mass removal rates for LPH, dissolved phase and vapor-phase petroleum hydrocarbon mass that could be achieved using this technology.

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

On February 2011, a TPE pilot test was conducted at the site in accordance with the *Two-Phase Extraction Pilot Test Work Plan* dated September 17, 2010 (ARCADIS 2010) and subsequently approved in a letter dated November 5, 2010 from the Orange County Health Care Agency. Pilot testing was completed to determine if two-phase extraction (TPE) or dual-phase extraction (DPE) may be an appropriate remedial solution to address petroleum-hydrocarbon-related impacts at the site.

The TPE pilot test was implemented using a 20 horsepower liquid ring pump (LRP) capable of producing a maximum vacuum of 29 inches of mercury (inHg). A down-hole drop tube (also known as a "stinger") was installed in the extraction well, with the stinger intake set at approximately one foot above the bottom of the well to maximize dewatering. A sealed compression well cap was then placed on top of well B-12 to ensure that vapor recovered was from the screened interval of the well. Groundwater extraction rates of 1 to 2 gallons per minute (gpm) were obtained and vapor flow rates were relatively low. Prior to initiating the pilot test, Solinst® pressure transducers were installed in nearby monitoring wells B-7 and B-13 and the wellheads sealed. The data loggers were set to record the groundwater elevation every minute to record any change in groundwater elevation (drawdown) due to extraction and the data were analyzed to determine the radius of influence. The radius of influence for the TPE pilot test was estimated at 10 feet.

Due to low vapor flow rates, a DPE pilot test was implemented. The DPE test included installation of a submersible pump at the bottom of well B-12. Groundwater drawdown was monitored by field staff during pump installation to ensure dewatering of the well for approximately 1 hour prior to beginning vapor extraction via the LRP unit. Groundwater flow from the submersible pump was monitored hourly, using a graduated container and stop watch. Vacuum applied to well B-12 by the LRP was increased during the pilot test to determine the effect of high vacuum on vapor recovery during DPE operations. Vapor flow rates and mass removal rates did not improve during the DPE pilot test and DPE was discontinued.

Further evaluation of the pilot test results were conducted following submittal of the *Two-Phase Extraction Pilot Test Summary Report* (ARCADIS 2011). The use of historical subsurface investigation results coupled with the pilot test results indicated that the remedial approach may provide improved and thus more effective mass removal through implementation of a targeted recovery system design (i.e., targeted extraction well screen intervals). This theory is supported by the following key observations:

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

- The extraction wells used to conduct the first implementation of the TPE and DPE pilot test were screened from 20 to 40 feet bgs.
- The CPT and LIF results obtained from the February 2000 investigation indicate that the residual contaminant mass is primarily located in a layer of finely interbedded silty sands and silts encountered between 20 to 30 feet bgs. Below the 20 to 30 feet bgs silty sand and silt layer are sands and silty sands from 30 to 40 feet bgs.
- The radius of influence observed during the TPE pilot test was estimated at 10 feet, indicating that groundwater drawdown and influence distance is feasible for the remedial design spacing.

Because the extraction well used to conduct the TPE and DPE pilot test was screened from 20 to 40 feet bgs, and the 30 to 40 foot bgs interval has a higher hydraulic conductivity based on the pore pressure response measured in CPT boring log R-6, it is likely that the groundwater recovered during the TPE and DPE test was primarily drawn from the 30 to 40 foot bgs interval compared with the 20 to 30 foot bgs interval. This would explain the relatively low mass removal rates observed from the first pilot test implementation.

During the fourth quarter 2010 reporting period, the GWE system remained off pending approval of the proposed pilot test. During the first quarter 2011 reporting period, the GWE system remained off and the three day pilot test on well B-12, was implemented during the week of February 22, 2011.

To date, the GWE system has recovered and treated approximately 381,276 gallons of petroleum hydrocarbon impacted groundwater from the site. A summary of GWE system operation data is presented in Table 1 and system influent sample analytical results are presented in Table 2.

3. Pilot Test Methods

Pilot testing activities were conducted according to the procedures provided in the work plan (ARCADIS 2011). The pilot test system and thermal oxidizer were temporarily mobilized to the site and were provided by The RF2 Group, LLC of Placentia, California.

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

3.1 Pilot Test Setup

Two-Phase Extraction

Small modifications to the first TPE work plan have been identified in consideration of the revised well layout, construction details, and targeted treatment interval. The following specifications apply to the second implementation of the TPE Pilot Test:

- Groundwater extraction was conducted from well TPE-1.
- To the extent feasible, the extraction rate will be maintained at a constant rate that will not cause complete dewatering of the extraction well.
- Radius of influence monitoring will be conducted at wells TPE-2, TPE-3, and B-12.
- The test will be conducted 24 hours a day for at least two days.

Aside from these specifications, the TPE Pilot Test was implemented using the same procedures described in the TPE Pilot Test Work Plan (attached as Appendix A).

TPE pilot testing activities were initiated at 10:30 am on December 20, 2011. During installation of the stinger, field staff confirmed drawdown of groundwater in the well to the stinger intake with a water level meter. At 3:30 pm on December 21, 2011, extraction on TPE-1 was discontinued and restarted on TPE-3 at 8:30 pm to see if vapor flow rates, mass removal rates, and concentrations would increase. Approximately 0.90 to 1.20 feet of free product was encountered in well TPE-3 and was removed via hand bailing prior to starting the test on TPE-3. Vapor flow rates, mass removal rates, and concentrations did not significantly change and the TPE pilot test was discontinued at 12:30 am on December 22, 2012. Collectively, the two tests were conducted for approximately 33 hours.

3.2 Pilot Test System Monitoring

Air flow and pressure were measured after separation of the groundwater and vapor streams before the blower. Air flow measurements were collected using a hand-held hot-wire anemometer to determine pipe velocity and facilitating calculation of vapor recovery rates. Also, due to the high applied vacuum and low vapor recovery flow rates, air flow measurements were obtained from the vapor stream after dilution and

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

recirculation at the thermal oxidizer. Groundwater flow was measured by a totalizer on the discharge of the liquid knockout tank of the TPE system and periodically spot checked by field staff using a graduated container and stopwatch.

Vacuum measurements were taken at the wellhead from both the stinger and the well casing. Vacuum readings during this type of test should be approximately equal to indicate equalization of vacuum in the well casing and sufficient dewatering of the well for pilot testing activities.

Organic vapor concentration measurements on the extracted vapor stream were collected hourly throughout the test using a photo ionization detector (PID) calibrated to hexane.

Operations and monitoring field data were collected approximately every hour throughout the pilot test.

3.3 Radius of Influence Monitoring

Approximately 24 hours prior to initiating the pilot test, Solinst[®] pressure transducers were installed in monitoring wells TPE-2, TPE-3, and B-12 and the wellheads sealed. The data loggers were set to record the groundwater elevation every minute to record any change in groundwater elevation (drawdown) due to extraction. The wellhead seal was broken and groundwater elevations were spot checked periodically for all three wells using a hand-held water-level meter.

The pressure measurements were converted to groundwater elevation measurements using depth-to-water measurements taken in conjunction with pressure measurements and the well top of casing elevation. The remaining pressure transducer measurements were converted to groundwater elevations based on the changes measured by the pressure transducer. After completion of the pilot test, the transducers remained in the wells for approximately 24 hours to measure groundwater recovery.

In addition, vacuum gauges were installed to measure induced vacuum to these wells during pilot testing. Induced vacuum measurements were manually recorded approximately every hour during the pilot test.

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

3.4 Collection of Groundwater and Vapor Samples for Chemical Analysis

To estimate mass removal and ensure permit compliance, samples of influent vapor and groundwater were collected during the pilot test and submitted to TestAmerica of Irvine, California for chemical analysis using standard chain-of-custody procedures.

3.4.1 Groundwater

Groundwater analytical samples were collected prior to implementing the pilot test.

The groundwater samples were collected in laboratory-provided bottle ware and submitted to TestAmerica for the following analyses:

- GRO by United States Environmental Protection Agency (USEPA) Method 8260B
- Benzene, toluene, ethylbenzene and total xylenes (BTEX); MTBE, TBA, diisopropyl ether (DIPE), ethyl tertiary butyl ether (ETBE), tertiary amyl methyl ether (TAME) and ethanol by USEPA Method 8260B

3.4.2 Vapor

Seven influent vapor stream analytical samples were collected during the pilot test.

Five of the samples were collected during the TPE-1 portion of the pilot test and two of the samples were collected during the TPE-3 portion of the pilot test.

Vapor samples were collected in laboratory-supplied Tedlar sample bags from both the influent and effluent vapor streams of the thermal oxidizer. The influent samples were collected periodically during the pilot test. Samples were collected after influent dilution and recirculation. The system vacuum was high prior to dilution and recirculation at the thermal oxidizer, preventing undiluted sample collection. In addition, groundwater was entrained in the vapor stream, preventing collection of vapor samples without high moisture content. One effluent vapor sample was collected in accordance with permit conditions. Samples were submitted to TestAmerica for the following analyses:

- GRO by USEPA Method 25 Modified
- BTEX and MTBE by USEPA TO-14 Modified
- Methane by USEPA 18 Modified
- Oxygen and carbon dioxide by ASTM International D1946

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

4. Pilot Test Results

4.1 Groundwater Analytical Results

The groundwater analytical sample data collected prior to the TPE pilot test can be found on Table 2. The laboratory analytical reports are included in Appendix B.

4.2 Influent Vapor Analytical Results

The influent vapor stream analytical data is summarized on Table 3. Concentrations of GRO, BTEX, MTBE, and TBA, stayed relatively constant throughout the duration of the pilot test. DIPE, ETBE, TAME and ethanol were not detected in any of the samples collected. Vapor sample analytical laboratory reports are included in Appendix B.

Oxygen concentrations from TPE-1 ranged from 6.3 to 15 percent, carbon dioxide concentrations ranged from 5.7 to 12 percent, and methane concentrations ranged from 0.033 to 4.7 percent. Oxygen concentrations from TPE-3 ranged from 14 to 16 percent, carbon dioxide concentrations ranged from 4.4 to 5.4 percent, and methane concentrations ranged from 0.032 to 0.064 percent. Oxygen concentrations increased while carbon dioxide, and methane concentrations decreased during the pilot test. This data indicates that aerobic biodegradation of hydrocarbons beneath the site and the associated consumption of oxygen and generation of carbon dioxide and methane is active.

4.3 System Monitoring Results

During the TPE-1 portion of the pilot test, vacuum measured at the top of the stinger for TPE-1 ranged from 6.2 to 6.6 in Hg and the vacuum at the wellhead ranged from 3.0 to 3.5 in Hg. During the TPE-3 portion of the pilot test, vacuum measured at the top of the stinger for TPE-3 was 10.0 in Hg, and the vacuum at the well head was 7.0 in Hg. Generally, the wellhead vacuum was approximately half the vacuum applied at the top of the stinger. Ideally, these two values would be approximately equal. This indicates that approximately one-half of vacuum applied to the well was lost between the top of the stinger and the top of the well casing. This vacuum loss was likely due to water lift and friction loss as water was removed from the well by the 1-inch stinger.

During the TPE-1 portion of the pilot test, the vapor flow rate ranged from approximately 27.44 to 35.14 standard cubic feet per minute (scfm). During the TPE-3

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

portion of the pilot test, the vapor flow rate ranged from approximately 29.95 to 31.69 scfm.

Effluent vapor PID measurements ranged from 15.3 to 20.5 ppmv and 17.9 to 18.7 during both TPE-1 and TPE-3 portions of the pilot test, respectively.

The groundwater extraction rate during the TPE-1 portion of the test ranged from approximately 0.10 to 0.21 gpm; during the TPE-3 portion of the pilot test, the extraction rate ranged from approximately 0.19 to 0.57 gpm. The low pumping rates measured during the test are attributed to the both TPE-1 and TPE-3 both dewatering quickly.

4.3.1 Groundwater Drawdown Monitoring

Figures 8 through 10 show the groundwater elevations measured from December 20, 2011 to December 22, 2011. Wells TPE-2, TPE-3, and B-12 are approximately 5.4, 12.3, and 18.9 feet from the pumping well, respectively. Groundwater elevations continued to decrease in all 3 wells throughout the duration of the pilot test. The maximum drawdown observed in all the wells was achieved at on December 21, 2011, right before shutting the SVE system down to connect to TPE-3. The maximum drawdown measured in well TPE-2, TPE-3, and B-12 was 1.1, 1.3, and 2.5 feet, respectively.

Prior to beginning the pilot test it appears that the elevation of the water table near the site was decreasing. It is not clear why this background groundwater fluctuation was observed. After completing the TPE test, groundwater elevations appeared to recover asymptotically with no observable background trends.

4.3.2 Groundwater Extraction Monitoring

The groundwater drawdown taken on December 21 at the end of the TPE-1 portion of the pilot test for the pumping well and the three monitoring wells is shown on Figure 11. Based on measurements taken by field staff during installation of the drop tube before starting the pilot test, groundwater in well TPE-1 was approximately 23.43 feet btoc or 87.98 feet amsl. Based on historical groundwater monitoring data, the bottom of the smear zone is estimated to be at 82 feet amsl. Approximately 4.7, 2.8, and 4.9 feet of the smear zone remained saturated and unavailable to remediation by vapor recovery in wells TPE-2, TPE-3, and B-12, respectively.

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

4.3.3 Vacuum Extraction Radius of Influence Monitoring

Vacuum measurements were taken from the wellhead of pumping well TPE-1 and monitoring wells TPE-2, TPE-3, and B-12 and are summarized in Table 4. The data plotted were chosen because they represent the average vacuum measured during the tests. The vacuum ROI is estimated to be the point where an exponential regression line plotted on a semi-log scale is approximately equal to 0.1 inch of water. As shown on Figure 12, the estimated ROI is approximately 48 feet. This estimation of the ROI is consistent with pilot tests previously completed at the site.

4.4 Mass Removal

Mass removal calculations are summarized in Table 4. GRO vapor extraction mass removal rates varied from 2.586 to 4.943 pounds per day (lbs/day) for TPE-1 and 4.461 to 7.058 lbs/day for TPE-3. Mass removal rates decreased as the two pilot tests progressed in conjunction with the decrease in vapor-phase concentrations of GRO. Benzene mass removal rates ranged up to 0.012 lbs/day for TPE-1 and 0.044 lbs/hr for TPE-3. MTBE mass removal rates ranged up to 0.006 lbs/day for TPE-1 and 0.002 for TPE-3. Approximately 278 gallons of water were extracted during the two pilot tests.

Air Permit Compliance

Air emissions were permitted under a various locations permit issued by the SCAQMD. One effluent analytical sample was collected at 10:15 a.m. on December 21, 2011. Only Toluene was detected at a concentration of 0.020 ppmv. Field staff used a PID to monitor organic vapor concentrations from the effluent sample location prior to being discharged to the atmosphere. The PID was calibrated daily to hexane during the pilot test. Based on PID concentrations, the highest measurement taken from the effluent vapor stream was 20.5 ppmv. Effluent analytical data is summarized in Table 3 and PID measurements are summarized in Table 4. The effluent vapor sample analytical report is included in Appendix B. Field data recorded during the pilot test is included in Appendix C.

4.5 Extracted Groundwater Management

During the pilot test, extracted groundwater was containerized at the site in a 6,500-gallon poly tank. Approximately 278 gallons of extracted groundwater and decontamination water were transported off site for disposal at Belshire Environmental

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

Services of Brea, California. The waste manifest and shipping documentation are provided in Appendix D.

5. Conclusions

Field observations made during installation of the stinger indicate that groundwater drawdown was achieved during the pilot test. However, groundwater extraction rates at the highest achievable vacuum by the pilot test system were not sufficient to fully dewater the smear zone. The vacuum ROI achieved during the pilot test is approximately 48 feet.

Based on a vacuum ROI of approximately 48 feet, vapor extraction flow rates ranging from 27.44 to 35.14 scfm, and mass removal rates ranging from 2.586 to 4.943 lbs/day, soil vapor extraction would be an effective remedial solution. In order to expose the smear zone for soil vapor extraction and address the free product found in well TPE-3, ARCADIS recommends the installation of a TPE remediation system. The TPE remediation system will target the interbedded silty sands and silt intervals approximately located at 20 to 30 bgs, which will assist the natural attenuation that is indicated by the vapor concentrations of oxygen, carbon dioxide and methane. In addition, TPE is cost effective as there is an existing GWE system already on the site that can be used to treat and dispose generated groundwater.

The field data gathered during the two portions of the pilot test characterized groundwater and vapor recovery. ARCADIS recommends TPE be implemented at the site due to the vacuum ROI, vapor flow rates, and mass removal rates.

Upon formal approval of this recommendation, ARCADIS will develop and submit a Remedial Action Plan within 45 days to the Orange County Health Care Agency.

**Two-Phase Extraction
Pilot Test Summary
Report**

ARCO Facility No. 5202

6. References

ARCADIS U.S., Inc. 2012. Fourth Quarter 2011 Groundwater Monitoring Report. January 27, 2012.

ARCADIS U.S., Inc. 2011. Well Installation Work Plan to Support Further Evaluation of the Two-Phase Extraction Pilot Test. July 14, 2011

ARCADIS U.S., Inc. 2011. Two-Phase Extraction Pilot Test Summary Report. April 18, 2011.

ARCADIS U.S., Inc. 2010. Two-Phase Extraction Pilot Test Work Plan. September 17, 2010.

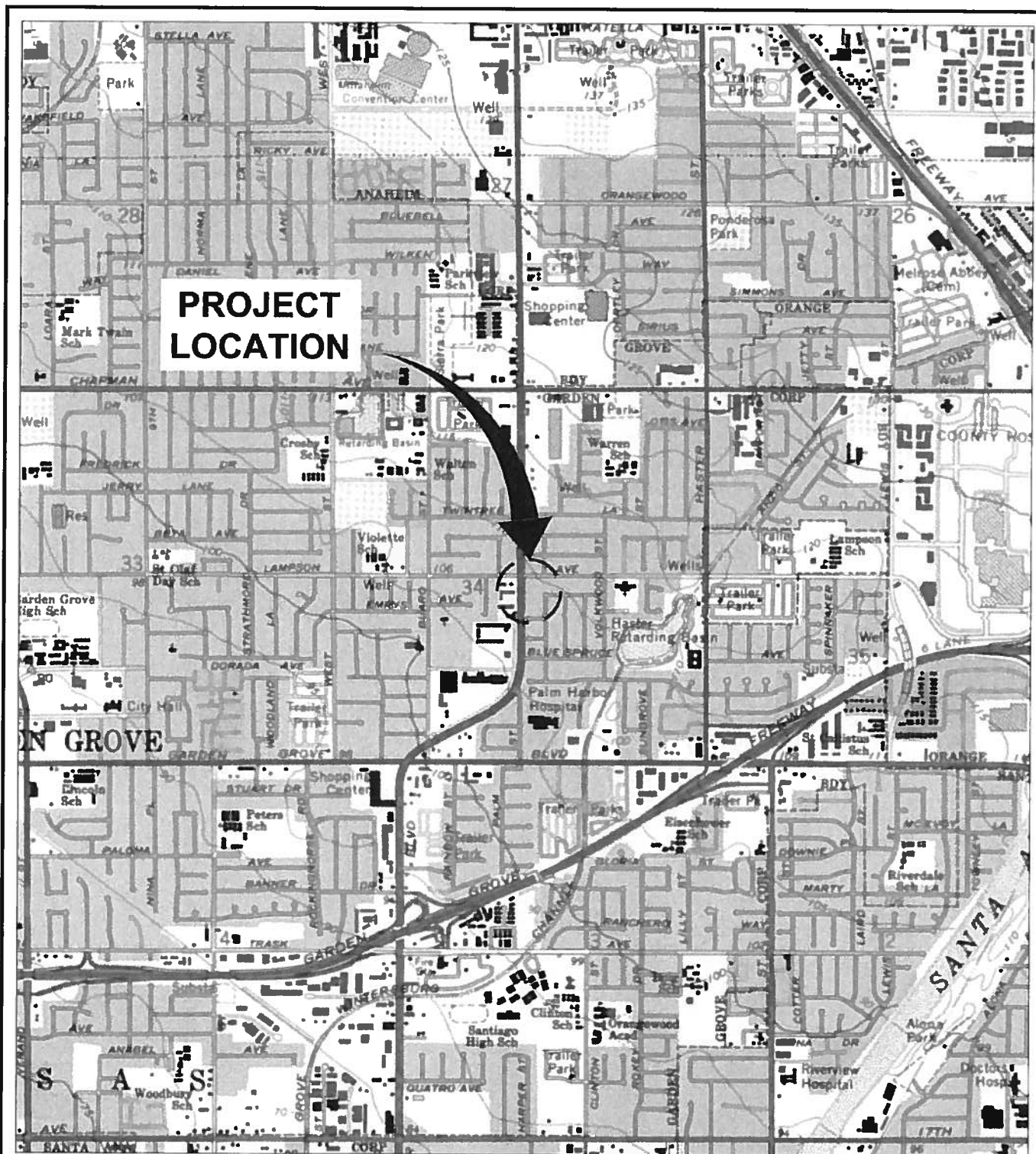
ARCADIS U.S., Inc. 2011. First Quarter 2011 Groundwater Monitoring Report. April 1, 2011.

Delta Consultants. 2001. High Vacuum Dual Phase Extraction Pilot Test Report. March 23, 2001.

IT Corporation. 2000. Pilot Study Report. November 14, 2000.

U.S. Geological Survey. 1965. Anaheim Quadrangle, California – Orange County 7.5 Minute Series (Topographic): Scale, 1:24,000. Denver, Colorado. 1965

Figures



REFERENCE: BASE MAP USGS 7.5 MIN. TOPO. QUAD., ANAHEIM, CALIFORNIA, 1965, PHOTOREVISED 1981.

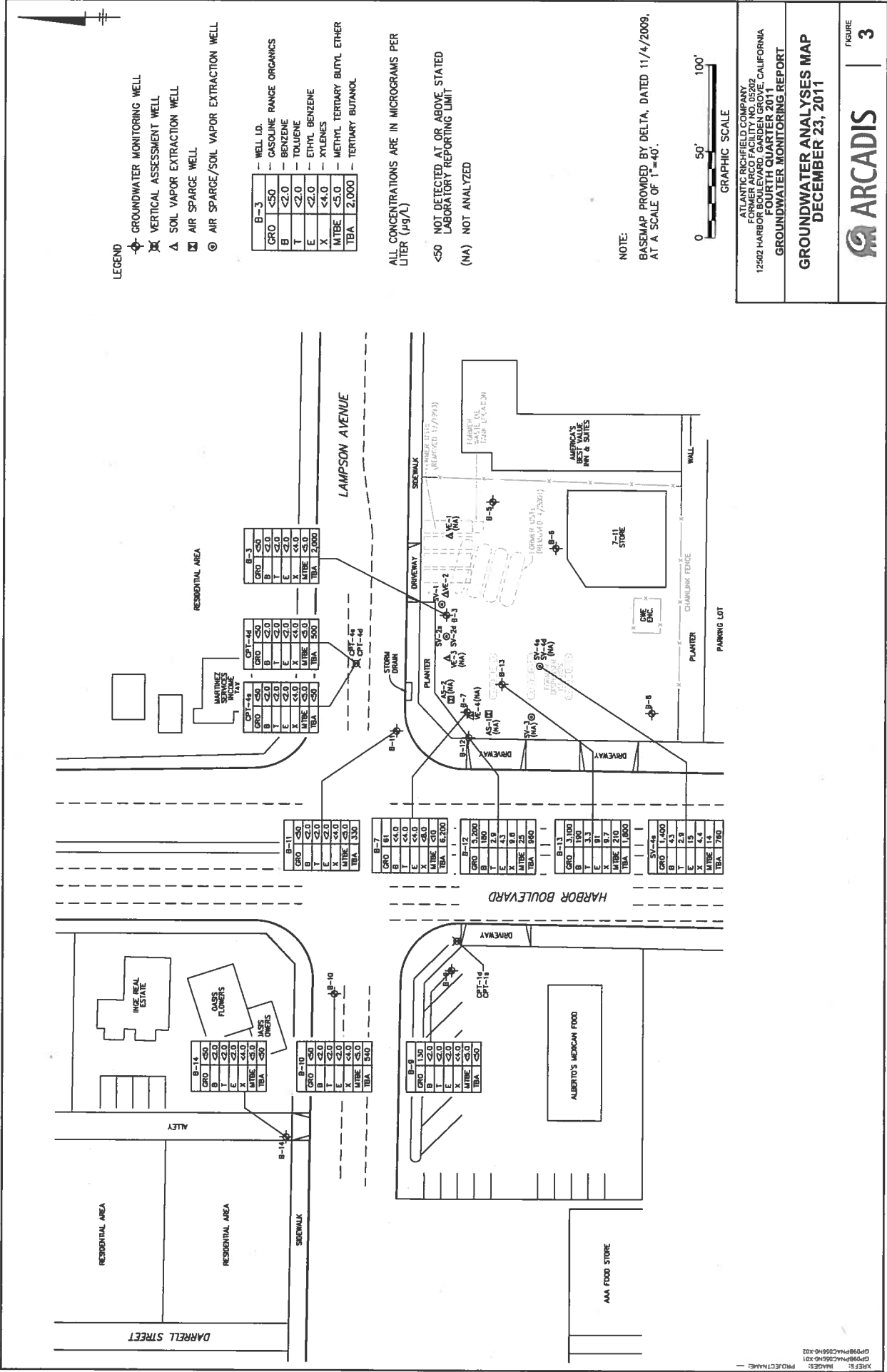


ATLANTIC RICHFIELD COMPANY
 FORMER ARCO FACILITY NO. 5202
 12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA
 FOURTH QUARTER 2011
GROUNDWATER MONITORING REPORT

SITE LOCATION MAP

 **ARCADIS** | **FIGURE 1**

XREFS: IMAGES: Anaheim.mxd PROJECTNAME: BP



LEGEND

- ⊕ GROUNDWATER MONITORING WELL
- ⊗ VERTICAL ASSESSMENT WELL
- △ SOIL VAPOR EXTRACTION WELL
- ⊠ AIR SPARGE WELL
- ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL

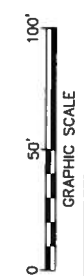
WELL ID.	WELL ID.
B-3	WELL ID.
GRD <5.0	GASOLINE RANGE ORGANICS
B <2.0	BENZENE
T <2.0	TOLUENE
E <2.0	ETHYL BENZENE
X <4.0	XYLENES
MTBE <5.0	METHYL TERTIARY BUTYL ETHER
TBA 2,000	TERTIARY BUTANOL

ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (µg/L)

<5.0 NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 (NA) NOT ANALYZED

NOTE:

BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.



ATLANTIC RICHFIELD COMPANY
 FOURTH QUARTER
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 FOURTH QUARTER 2011
 GROUNDWATER MONITORING REPORT

GROUNDWATER ANALYSES MAP
 DECEMBER 23, 2011

ARCADIS

FIGURE | **3**

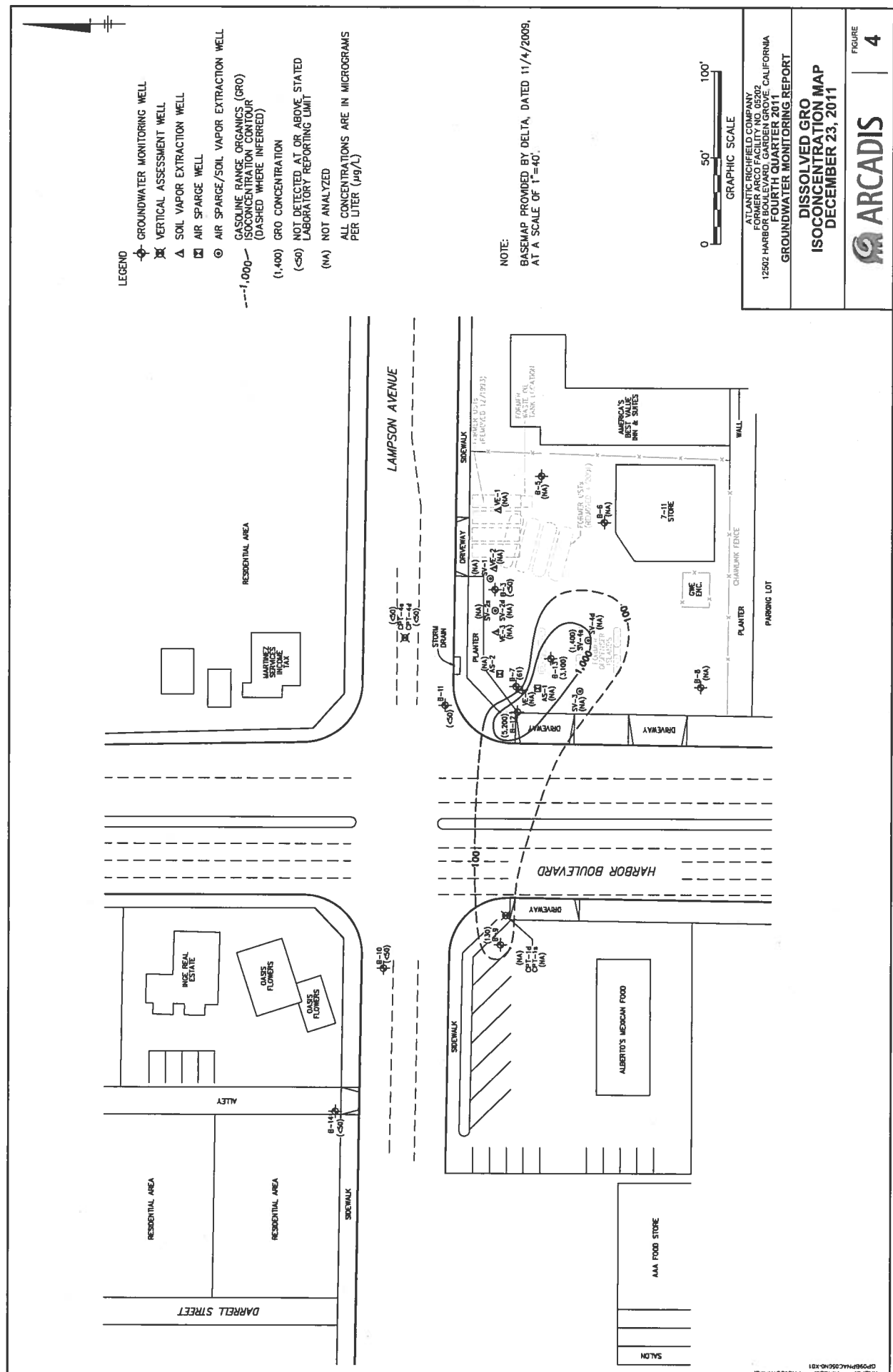
- LEGEND**
- ☉ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - ▲ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 1,000' GASOLINE RANGE ORGANICS (GRO) ISOCONCENTRATION CONTOUR (DASHED WHERE INFERRED)
 - (1,400) GRO CONCENTRATION
 - (<50) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
- ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (µg/L)

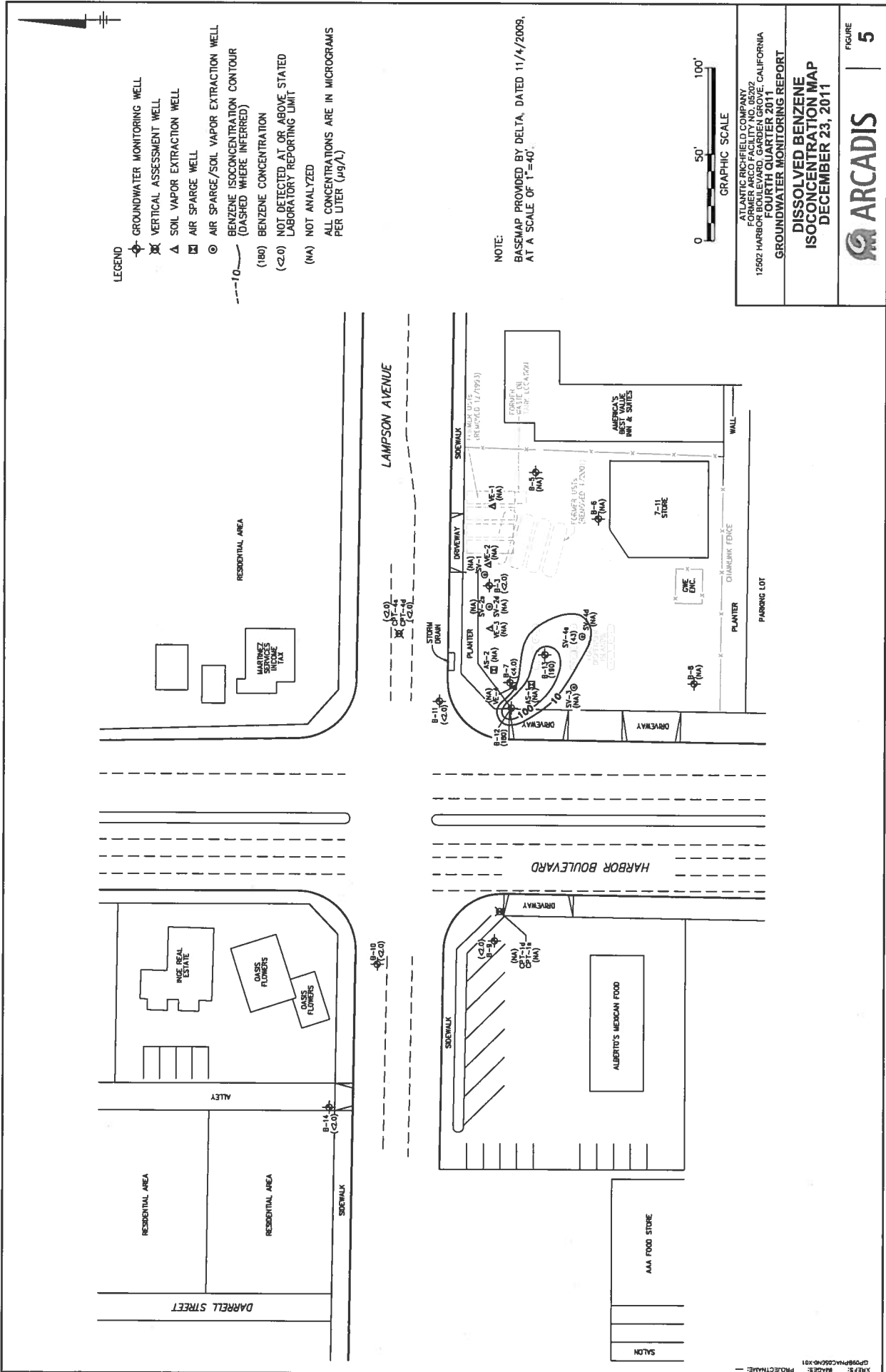
NOTE:
 BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.



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 FOURTH QUARTER 2011
 GROUNDWATER MONITORING REPORT

**DISSOLVED GRO
 ISOCONCENTRATION MAP
 DECEMBER 23, 2011**





LEGEND

- ⊕ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 10--- BENZENE ISOCENTRATION CONTOUR (DASHED WHERE INFERRED)
 - (180) BENZENE CONCENTRATION
 - (<2.0) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
- ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (µg/L)

NOTE:
 BASEMAP PROVIDED BY DELTA, DATED 11/14/2009, AT A SCALE OF 1"=40'.



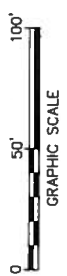
ATLANTIC RICHFIELD COMPANY
 FORMER ARCO FACILITY NO. 05202
 12520 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA
 FOURTH QUARTER 2011
 GROUNDWATER MONITORING REPORT

DISSOLVED BENZENE ISOCENTRATION MAP
 DECEMBER 23, 2011



- LEGEND**
- ⊕ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 10--- METHYL TERTIARY BUTYL ETHER (MTBE) ISOCONCENTRATION CONTOUR (DASHED WHERE INFERRED)
 - (210) MTBE CONCENTRATION
 - (<5.0) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
- ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (μg/L)

NOTE:
 BASEMAP PROVIDED BY DELTA, DATED 11/14/2009, AT A SCALE OF 1"=40'.

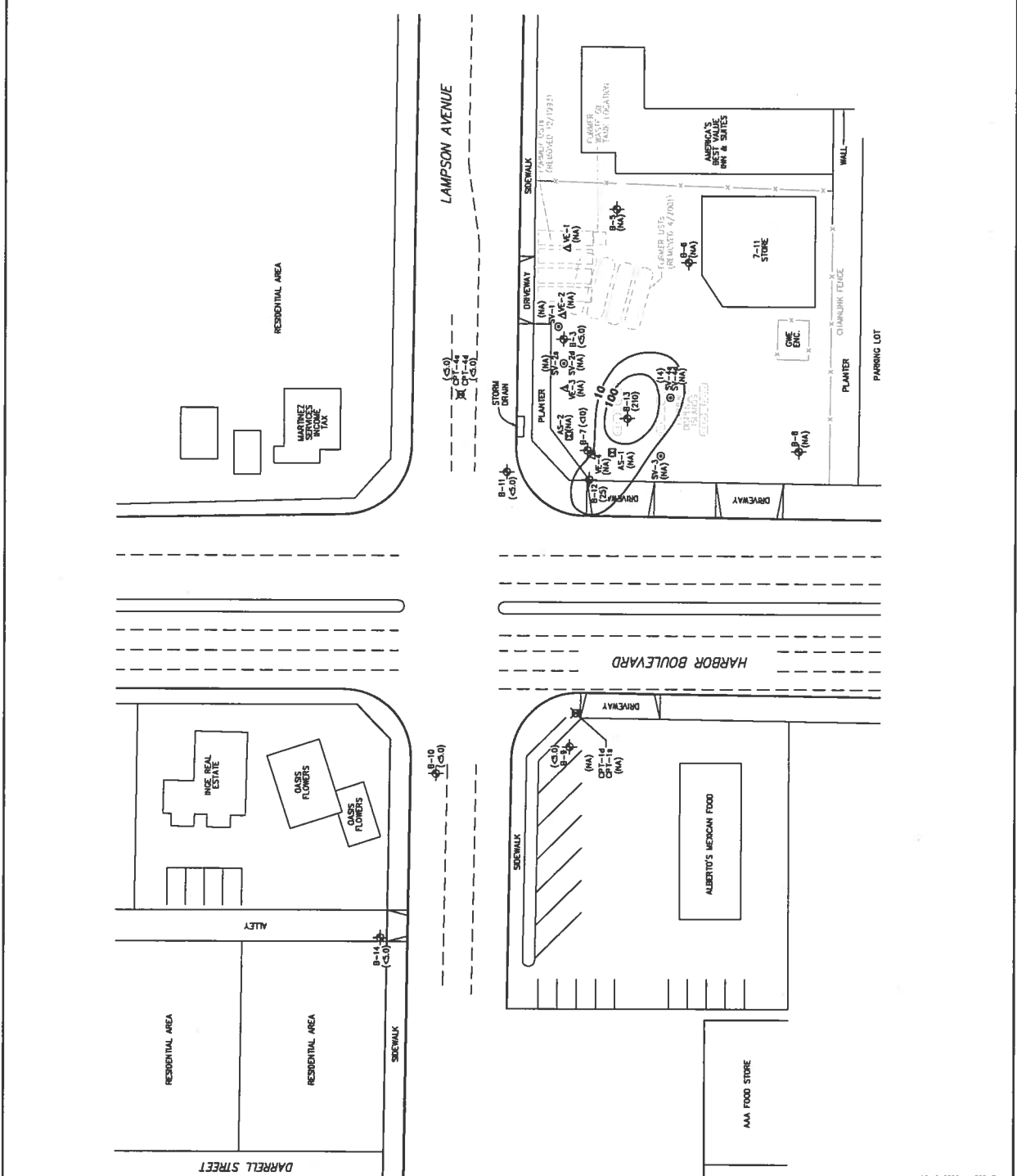


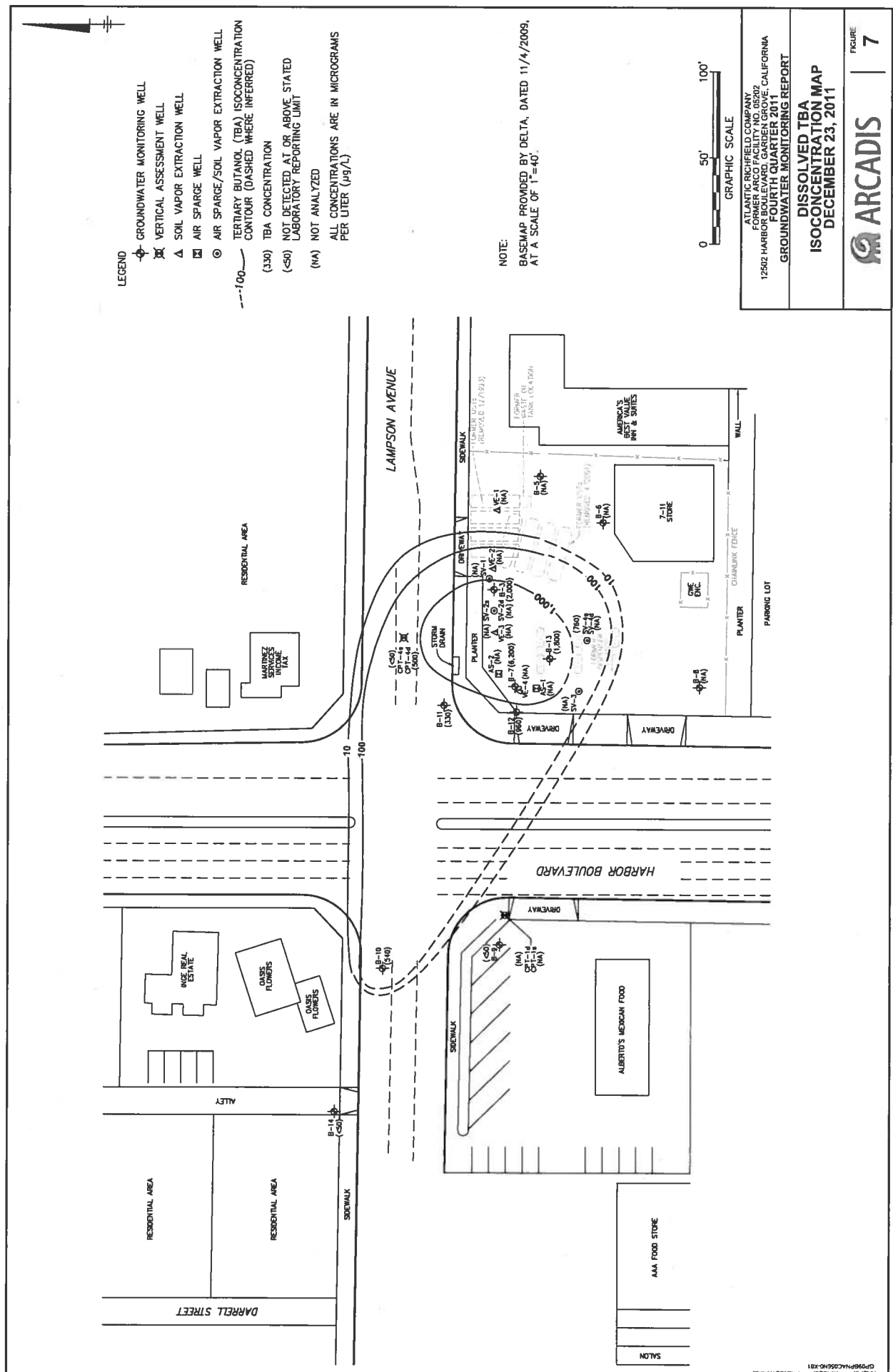
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 GROUNDWATER MONITORING REPORT

**DISSOLVED MTBE
 ISOCONCENTRATION MAP
 DECEMBER 23, 2011**



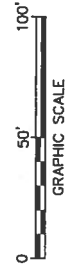
FIGURE
6





- LEGEND**
- ⊕ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 100--- TERTIARY BUTANOL (TBA) ISOCONCENTRATION CONTOUR (DASHED WHERE INFERRED)
 - (130) TBA CONCENTRATION
 - (<50) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
 - ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (µg/L)

NOTE:
 BASEMAP PROVIDED BY DELTA, DATED 11/4/2009,
 AT A SCALE OF 1"=40'.

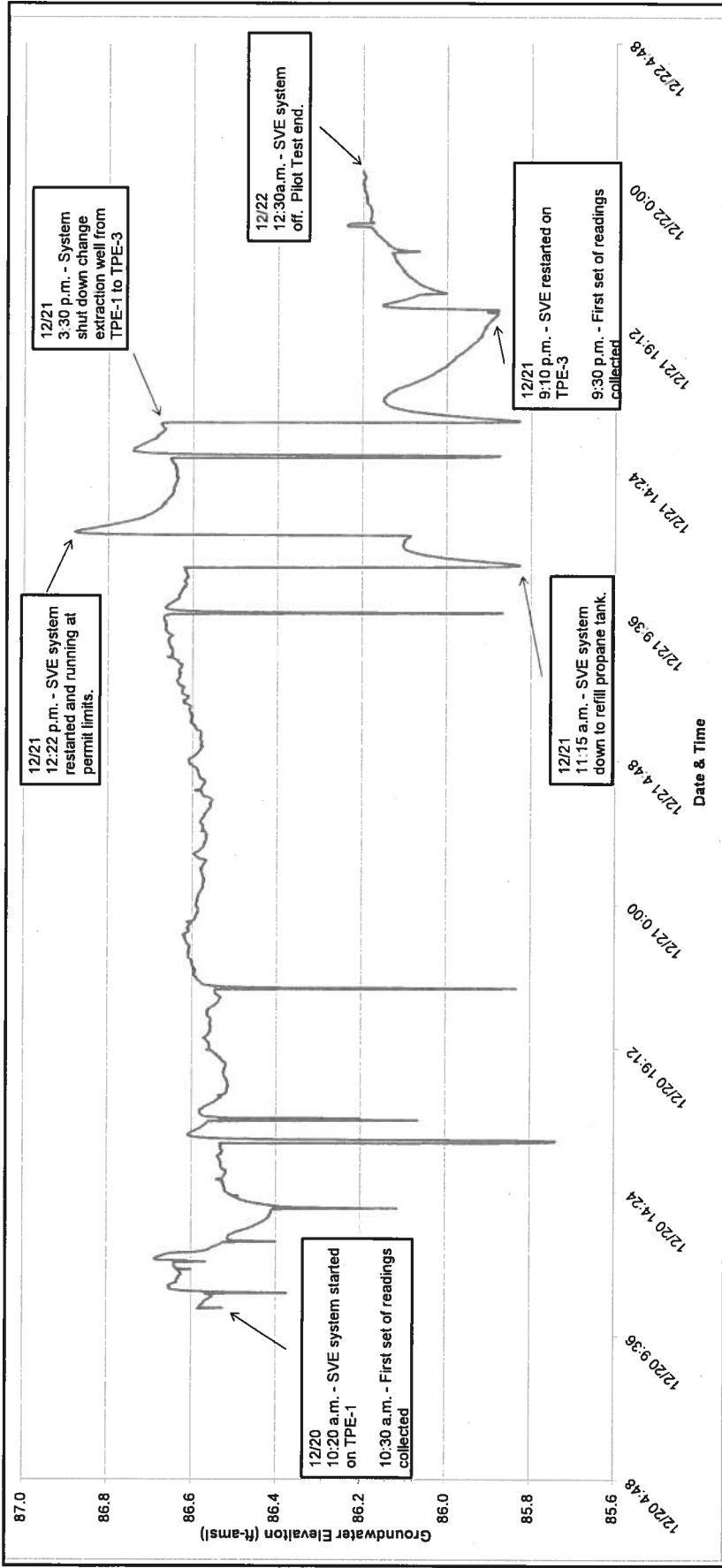


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 FOURTH QUARTER 2011
 GROUNDWATER MONITORING REPORT

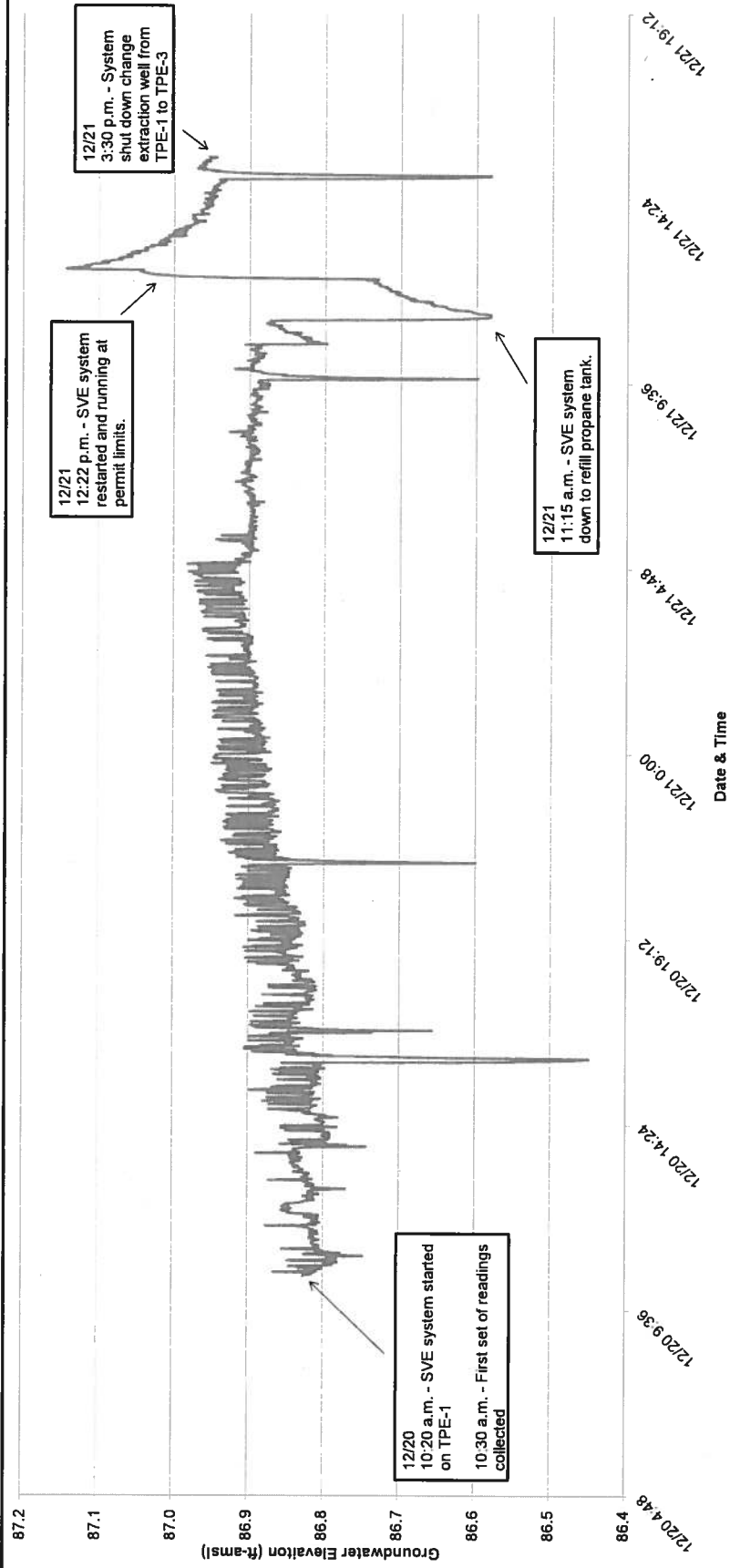
**DISSOLVED TBA
 ISOCONCENTRATION MAP
 DECEMBER 23, 2011**

ARCADIS

FIGURE **7**



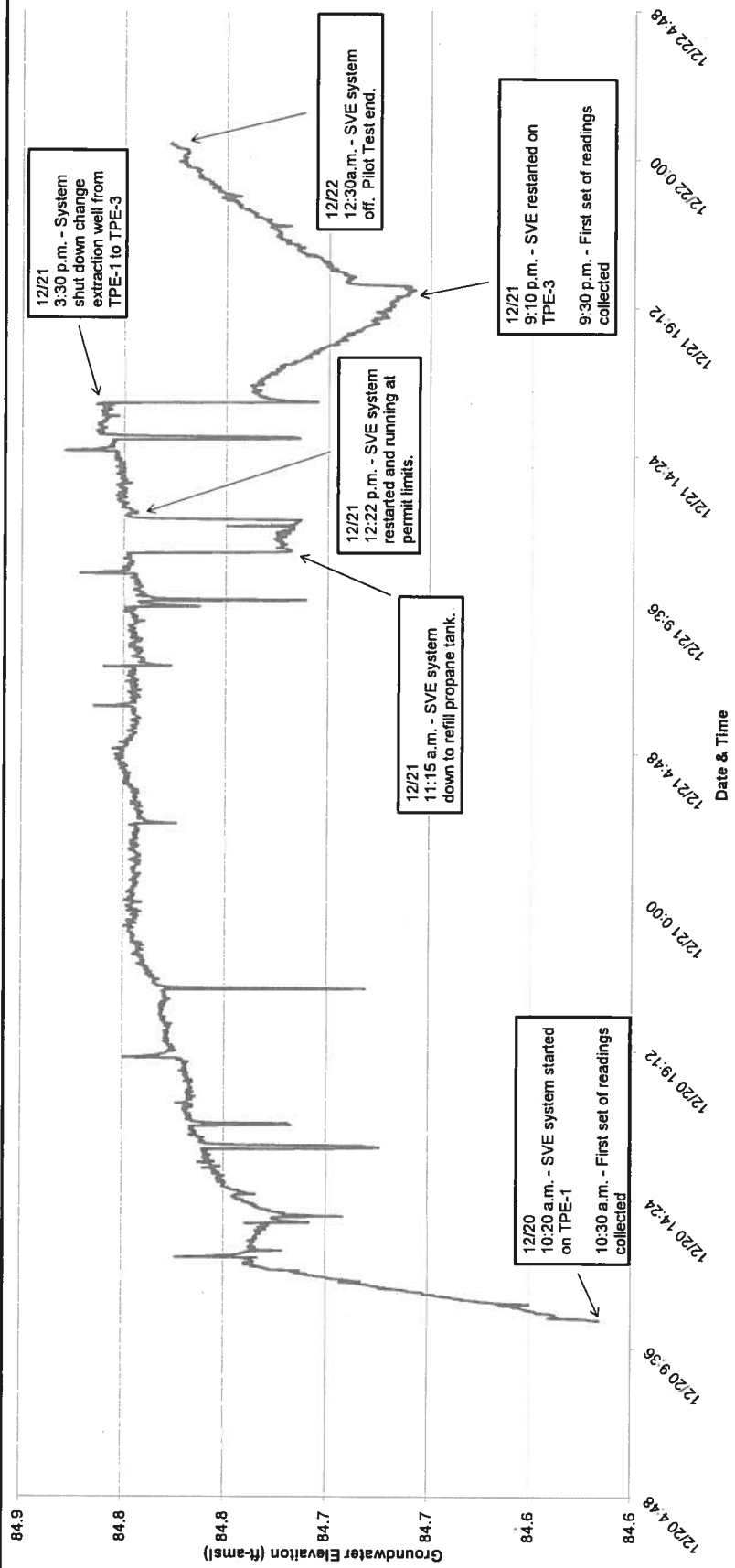
ft-amsl = feet - above mean sea level



ft-amsl = feet - above mean sea level

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TWO PHASE EXTRACTION PILOT STUDY SUMMARY REPORT

TPE-3 GROUNDWATER ELEVATION DURING PILOT TESTING



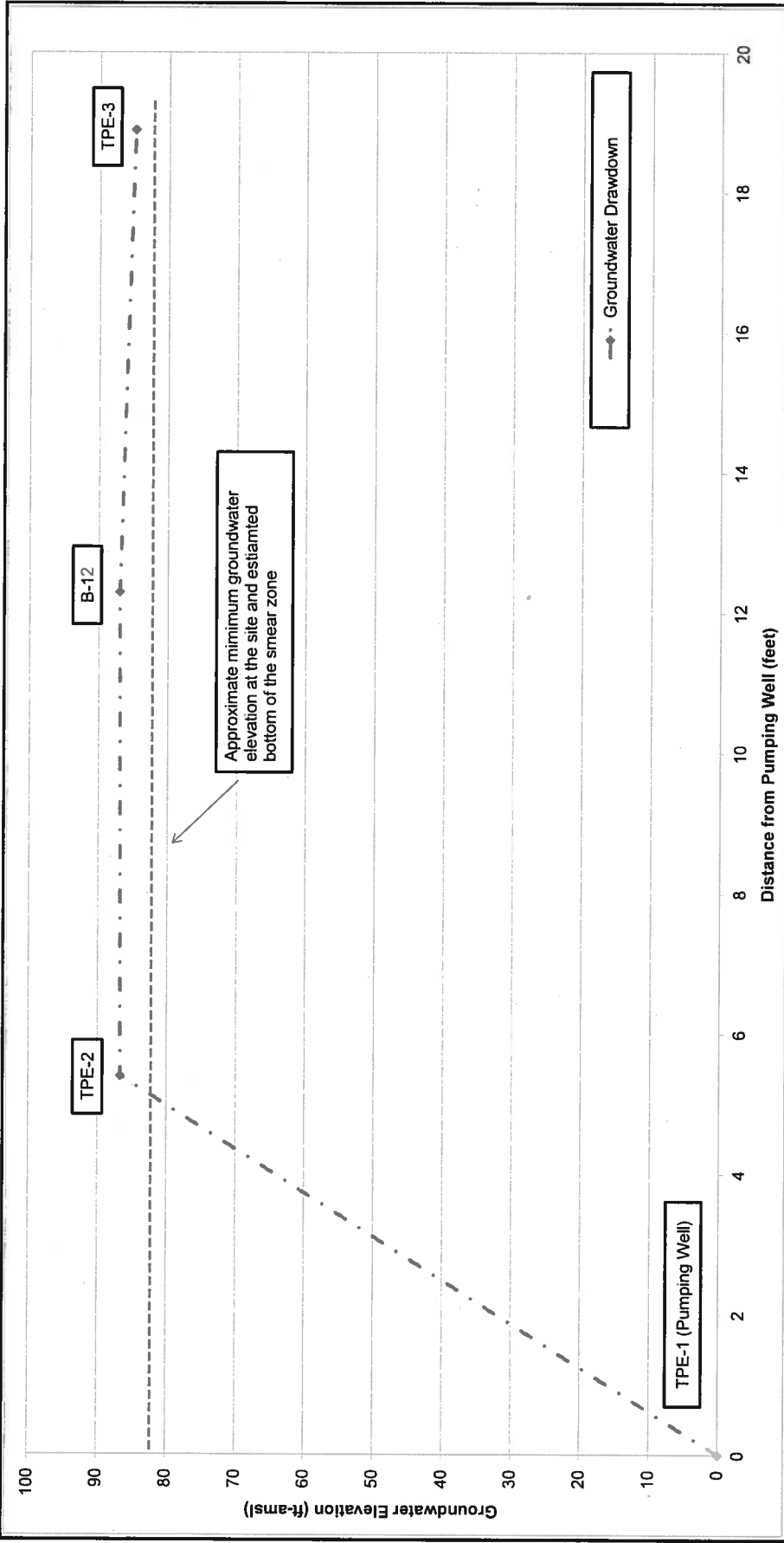
ft-amsl = feet - above mean sea level

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12502 HARBOR BOULEVARD GARDEN GROVE, CALIFORNIA
TWO PHASE EXTRACTION PILOT STUDY SUMMARY REPORT

B-12 GROUNDWATER ELEVATION DURING PILOT TESTING



FIGURE 10



ft-amsl = feet - above mean sea level

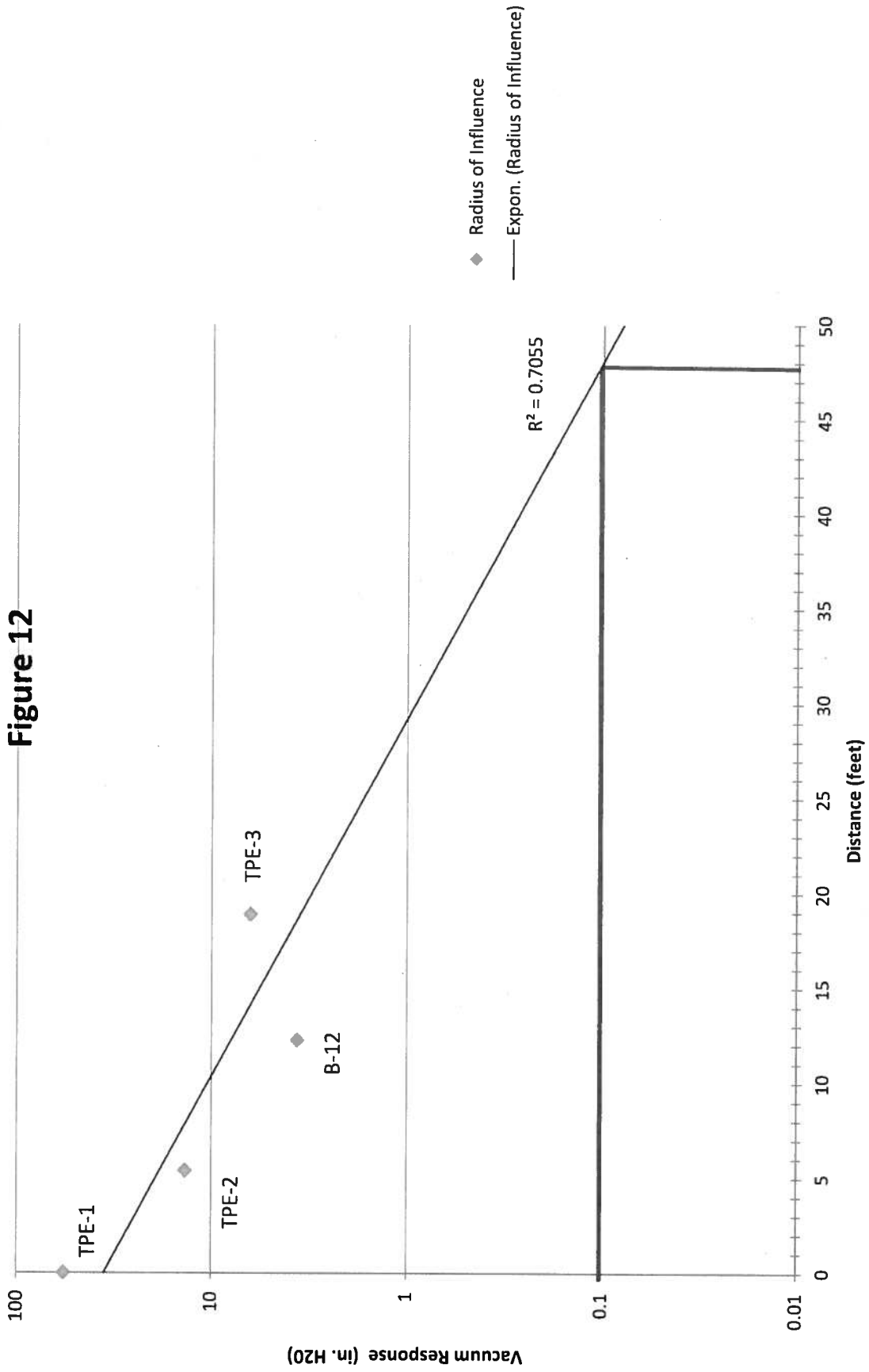
Data shown from 12/21/12 at the end of the TPE-1 portion of the pilot test.

ARCO FACILITY #5202
 12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA
 TWO PHASE EXTRACTION PILOT STUDY SUMMARY REPORT

GROUNDWATER DRAWDOWN DURING TWO PHASE EXTRACTION

TPE-1 Radius of Influence CA-5202

Figure 12



Tables

Table 1
 Summary of Groundwater Monitoring Data
 CA-05202
 12502 Harbor Blvd., Garden Grove, CA 92840

Well ID	Date	Type	TOC (ft masl)	DTW (ft)	Measured LNAPL Thickness	GW Elev (ft masl)	GRO (µg/L)	Benzene (µg/L)	Toluene (µg/L)	Ethylbenzene (µg/L)	Total Xylenes (µg/L)	MTBE (µg/L)	TBA (µg/L)	DPPE (µg/L)	ETBE (µg/L)	TAME (µg/L)	Ethanol (µg/L)	Notes
Trp Blank	3/4/1998						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	6/4/1998						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	8/5/1998						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	11/17/1998						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/23/1999						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	6/15/1999						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	9/17/1999						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	12/16/1999						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	3/21/2000						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	6/23/2000						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	9/14/2000						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	12/6/2000						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	3/5/2001						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	6/5/2001						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	8/28/2001						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	12/3/2001						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	3/5/2002						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	5/23/2002						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	9/20/2002						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	12/23/2002						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	3/20/2003						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	6/23/2003						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	9/22/2003						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	11/19/2003						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/23/2004						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	5/24/2004						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	8/23/2004						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	11/22/2004						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/2/2005						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	5/2/2005						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	8/15/2005						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	11/15/2005						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/20/2006						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	5/15/2006						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	9/18/2006						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	12/15/2006						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/6/2007						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	5/14/2007						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	8/13/2007						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	10/31/2007						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/14/2008						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/15/2008						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	5/2/2008						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	1/13/2009						<50	<0.3	<0.3	<0.3	<0.6							
Trp Blank	2/8/2010						<50	<0.3	<0.3	<0.3	<0.6							

Notes:

- TOC = Top of Casing Elevation
- DTW = Depth to Water
- LNAPL = Light Non Aqueous Phase Liquid (SPH) Thickness
- GW Elev = Groundwater Elevation
- GRO = Gasoline Range Organics
- MTBE = Methyl tert-butyl ether
- TBA = tert-Butyl alcohol
- DIPE = di-Isopropyl ether
- ETBE = Ethyl tert-butyl ether
- TAME = tert-Amyl methyl ether
- ft-MSL = feet above mean sea level
- µg/L = Micrograms per liter
- < = Analyte was not detected above the specified laboratory reporting limit
- = Not measured or analyzed
- J = denotes value between method detection limit and detection limit for reporting purposes
- INA = Well inaccessible, not sampled

Table 1
 Summary of Groundwater Monitoring Data
 CA-05202
 12502 Harbor Blvd., Garden Grove, CA 92840

Well ID	Date	Type	TOC (ft mst)	DTW (ft)	Measured LNAPL Thickness	GW Elev (ft mst)	GRO (µg/L)	Benzene (µg/L)	Toluene (µg/L)	Ethylbenzene (µg/L)	Total Xylenes (µg/L)	MTBE (µg/L)	TBA (µg/L)	DPE (µg/L)	ETBE (µg/L)	TAME (µg/L)	Ethanol (µg/L)	Notes
---------	------	------	-----------------	-------------	--------------------------------	---------------------	---------------	-------------------	-------------------	------------------------	-------------------------	----------------	---------------	---------------	----------------	----------------	-------------------	-------

NS = Well not sampled
 BF - Reporting Limits were raised due to a high hydrocarbon background.
 BB = Sample was greater than four times the spike concentration
 IB, IA = CCV recovery was above limits - analyte not detected. Results are valid even though CCV recovery is outside limits
 LM, AY = The MS and/or MSD were above the acceptance limits due to sample matrix interference.
 LP = LCS recovery was above method control limits. Analyte was not detected. Data was not impacted.

Table 2
Summary of Pilot Test Groundwater Monitoring Data
CA-05202
12502 Harbor Blvd., Garden Grove, CA 92840

Well ID	Date	Time	GRO (µg/L)	Benzene (µg/L)	Toluene (µg/L)	Ethylbenzene (µg/L)	Total Xylenes (µg/L)	MTBE (µg/L)	TBA (µg/L)	DIPE (µg/L)	ETBE (µg/L)	TAME (µg/L)	Ethanol (µg/L)	Notes
AMW-2	12/13/2011	7:15:00 AM	1,600	270	4.3	6.2	4.8	<2.0	<50	<10	<10	<10	<300	
AMW-6	12/13/2011	7:20:00 AM	1,100	55	1.6	14	3.1	<1.0	<25	<5.0	<5.0	<5.0	<150	
AMW-7	12/13/2011	7:25:00 AM	15000	27	6.6	1500	1300	<4.0	<100	<20	<20	<20	<600	

Notes:

- GRO = Gasoline Range Organics
- MTBE = Methyl tert-butyl ether
- TBA = tert-Butyl alcohol
- DIPE = di-Isopropyl ether
- ETBE = Ethyl tert-butyl ether
- TAME = tert-Amyl methyl ether
- µg/L = Micrograms per liter
- < = Analyte was not detected above the specified laboratory reporting limit

TABLE 3
SUMMARY OF PILOT TEST AIR MONITORING DATA
 Former ARCO Facility No.5202
 12502 Harbor Boulevard, Garden Grove, CA

Sample Date	Sample ID*	GRO (ppmv)	Benzene (ppmv)	Toluene (ppmv)	Ethylbenzene (ppmv)	Total Xylenes (ppmv)	MTBE (ppmv)	DIPE (ppmv)	ETBE (ppmv)	TAME (ppmv)	TBA (ppmv)	Ethanol (ppmv)
12/20/11 11:00	TPE-1	480	0.92	0.15	<0.040	0.10	<0.040	<0.040	<0.10	<0.040	<0.50	<0.50
12/20/11 13:00	TPE-1	480	1.3	0.16	0.080	0.33	0.34	<0.067	<0.17	<0.067	<0.83	<0.83
12/20/11 18:00	TPE-1	460	1.0	0.22	0.49	3.8	0.53	<0.067	<0.17	<0.067	<0.83	<0.83
12/21/11 10:00	TPE-1	300	0.45	0.13	0.36	3.5	0.22	<0.040	<0.10	<0.040	<0.50	<0.50
12/21/11 16:00	TPE-1	260	0.52	0.15	0.31	3.0	0.18	<0.040	<0.10	<0.040	<0.50	<0.50
12/21/11 20:30	TPE-3	640	4.3	2.5	2.0	8.9	0.10	<0.034	<0.086	<0.034	<0.43	<0.43
12/22/11 0:30	TPE-3	420	0.74	0.70	0.83	5.7	0.21	<0.036	<0.090	<0.036	<0.45	<0.45
12/21/11 10:15	EFFLUENT	<0.50	<0.0040	0.020	<0.0040	<0.0040	<0.0040	<0.0040	<0.010	<0.0040	<0.050	<0.050

Notes:

GRO = Gasoline range organics (C₄ - C₁₂)

MTBE = Methyl tertiary butyl ether

DIPE = Di-isopropyl ether

ETBE = Ethyl tertiary butyl ether

TAME = Tertiary amyl methyl ether

TBA = Tertiary butyl alcohol

* The samples labeled TPE-1 and TPE-3 were collected at the inlet of the combustion chamber.

ppmv = Parts per million on a volume basis

EFFLUENT = Effluent port, aka 'exhaust' and 'outlet of oxidizer'

-- = Not analyzed

Table 4
 Summary of Pilot Test Operational Data
 CA-05202
 12502 Harbor Blvd., Garden Grove, CA 92840

Time	Date	Pumping Well TPE-1		Pumping Well TPE-3		Observation Wells						LRP KO Totalizer (gal)	LRP Groundwater Flow Rate (gpm)				
		Vacuum at Top of Slinger (in Hg)	Vacuum at Well Casing (in Hg) ¹	Vacuum at Top of Slinger (in Hg)	Vacuum at Well Casing (in Hg) ¹	DTW at Well (feet)			Vacuum at Well (in H ₂ O)								
						TPE-1	TPE-2	TPE-3	TPE-3 Depth to Product	TPE-3 Depth to Water	Thickness of Product	B-12	TPE-1	TPE-2	TPE-3	B-12	
Dual-Phase Extraction Pilot Test																	
1030	12/20/2011	-	3.0	-	-	-	25.02	23.70	24.90	1.20	26.55	2.84	12.82	6.15	2.84	496912	-
1130	12/20/2011	-	3.0	-	-	-	24.98	23.61	24.71	1.10	26.60	3.21	14.09	6.55	3.21	496926	0.23
1230	12/20/2011	-	3.0	-	-	-	24.91	23.56	24.65	1.09	26.59	3.76	13.83	6.82	3.76	496926	0.00
1330	12/20/2011	6.6	3.2	-	-	-	24.82	23.55	24.61	1.06	26.54	4.08	13.61	6.97	4.08	-	-
1430	12/20/2011	6.6	3.1	-	-	-	24.78	23.52	24.57	1.05	26.52	3.94	13.47	6.41	3.94	496926	0.00
1530	12/20/2011	6.5	3.0	-	-	-	24.80	23.54	24.57	1.03	26.59	3.54	13.56	6.49	3.54	-	-
1730	12/20/2011	6.4	3.0	-	-	-	24.82	23.57	24.62	1.05	26.60	3.32	13.71	6.53	3.32	496944	0.10
1830	12/20/2011	6.2	3.2	-	-	-	24.88	23.60	24.60	1.00	26.60	3.75	13.64	6.50	3.75	-	-
1930	12/20/2011	6.2	3.1	-	-	-	24.87	23.58	24.61	1.03	26.60	3.76	13.65	6.51	3.76	-	-
2030	12/20/2011	6.3	3.2	-	-	-	24.39	23.60	24.62	1.02	26.61	3.77	13.66	6.52	3.77	496963	0.11
2130	12/20/2011	6.3	3.3	-	-	-	24.88	23.61	24.62	1.01	26.61	3.77	13.66	6.53	3.77	-	-
2230	12/20/2011	6.4	3.5	-	-	-	24.89	23.63	24.63	1.00	26.62	3.78	13.68	6.53	3.78	-	-
2330	12/20/2011	6.4	3.4	-	-	-	24.90	23.63	24.63	1.00	26.62	3.77	13.68	6.54	3.77	496981	0.10
30	12/21/2011	6.4	3.3	-	-	-	24.90	23.63	24.63	1.00	26.62	3.76	13.61	6.51	3.76	-	-
130	12/21/2011	6.4	3.3	-	-	-	24.90	23.62	24.63	1.01	26.62	3.74	13.58	6.48	3.74	-	-
230	12/21/2011	6.4	3.3	-	-	-	24.90	23.64	24.64	1.00	26.62	3.78	13.53	6.47	3.78	497006	0.14
330	12/21/2011	6.4	3.3	-	-	-	24.90	23.65	24.65	1.00	26.62	3.75	13.48	6.45	3.75	-	-
430	12/21/2011	6.4	3.3	-	-	-	24.90	23.65	24.65	1.00	26.62	3.74	13.46	6.39	3.74	-	-
530	12/21/2011	6.4	3.3	-	-	-	24.90	23.65	24.65	1.00	26.62	3.74	13.45	6.41	3.74	497030	0.13
630	12/21/2011	6.4	3.3	-	-	-	24.90	23.65	24.65	1.00	26.62	3.82	13.38	6.42	3.82	-	-
730	12/21/2011	6.2	3.1	-	-	-	25.03	23.70	24.72	1.02	26.68	3.86	13.89	6.54	3.86	-	-
830	12/21/2011	6.2	3.1	-	-	-	25.01	23.68	24.70	1.02	26.66	3.83	13.83	6.50	3.83	497068	0.21
930	12/21/2011	6.2	3.1	-	-	-	25.01	23.73	24.68	0.95	26.70	3.73	13.85	6.50	3.73	-	-
1030	12/21/2011	6.3	3.0	-	-	-	25.04	23.74	24.73	0.99	26.75	3.20	13.86	6.47	3.20	-	-
1230	12/21/2011	6.3	3.0	-	-	-	25.20	23.91	24.92	1.01	26.70	3.23	13.37	5.30	3.23	497080	0.07
1330	12/21/2011	6.3	3.0	-	-	-	24.97	23.71	24.72	1.01	26.66	3.87	13.97	5.55	3.87	-	-
1430	12/21/2011	6.3	3.0	-	-	-	24.90	23.70	24.62	0.92	26.72	3.45	13.39	5.37	3.45	-	-
1530	12/21/2011	6.4	3.0	-	-	-	24.93	23.70	24.60	0.90	26.69	3.53	13.91	5.57	3.53	497080	0.00
2030	12/21/2011	-	-	10.0	7.0	25.40	24.45	-	-	-	26.65	1.97	5.53	5.59	-	497110	0.50
2130	12/21/2011	-	-	10.0	7.0	25.50	24.48	-	-	-	26.70	1.86	5.31	5.28	-	497133	-
2230	12/21/2011	-	-	10.0	7.0	25.60	24.50	-	-	-	26.75	1.71	5.03	4.95	-	497156	0.19
2330	12/21/2011	-	-	10.0	7.0	25.60	24.50	-	-	-	26.75	1.68	5.01	4.76	-	497156	0.38

Table 4
 Summary of Pilot Test Operational Data
 CA-05202
 12502 Harbor Blvd., Garden Grove, CA 92840

Time	Date	Pumping Well TPE-1		Pumping Well TPE-3		Observation Wells						LRP KO Totalizer (gal)	LRP Groundwater Flow Rate (gpm)				
		Vacuum at Top of Stinger (in Hg)	Vacuum at Well Casing (in Hg) ¹	Vacuum at Top of Stinger (in Hg)	Vacuum at Well Casing (in Hg) ¹	DTW at Well (feet)		Vacuum at Well (in H ₂ O)									
						TPE-1	TPE-2	TPE-3	TPE-3	Thickness of Product	B-12	TPE-1	TPE-2	TPE-3	B-12		
30	12/22/2011	--	--	10.0	7.0	25.61	24.51	--	--	--	26.75	4.87	4.74	--	1.65	497190	0.57

Notes:

- in Hg = Inches of mercury
- DTW = Depth to water
- in H₂O = Inches of water
- fpm = feet per minute
- *F = Degrees Fahrenheit
- ppmw = parts per million by volume
- scfm = standard cubic feet per minute
- gal = gallons
- ml/minute = milliliters per minute
- LRP = Liquid ring pump
- TPE = Two phase extraction
- = Not Recorded

Table 4
 Summary of Pilot Test Operational Data
 CA-05202 12502 Harbor Blvd., Garden Grove, CA 92640

Monitoring Date	Arrival Status	Depart Status	Hour Meter Reading (hours)	Percent Uptime	INF 2 Flow (scfm)	INF 2 Concentration			Mass Removal*				PID Reading		Process Temperature (°F)	
						GRO (ppmv)	Benzene (ppmv)	MTBE (ppmv)	GRO cumulative (lbs)	Benzene (lbs/day)	Benzene cumulative (lbs)	MTBE (lbs/day)	MTBE cumulative (lbs)	INF 2 (ppmv)		EFF (ppmv)
12/20/11 10:30	Off	On	0.0	100%	31.6	480	0.92	<0.040	4.882	0.00	0.008	0.00	0.000	306	15.3	1,781
12/20/11 11:30	On	On	1.0	100%	31.3	--	--	--	4.839	0.20	0.008	0.00	0.000	859	18.0	1,585
12/20/11 12:30	On	On	2.0	100%	30.6	480	1.3	0.34	4.731	0.40	0.012	0.00	0.003	912	--	--
12/20/11 13:30	On	On	3.0	100%	29.9	--	--	--	4.623	0.59	0.011	0.00	0.003	925	--	--
12/20/11 14:30	On	On	4.0	100%	30.7	--	--	--	4.741	0.79	0.012	0.00	0.003	1,078	20.5	1,561
12/20/11 15:30	On	On	5.0	100%	32.0	--	--	--	4.943	0.99	0.012	0.00	0.004	1,301	--	--
12/20/11 17:30	On	On	7.0	100%	33.2	460	1.0	0.53	4.915	1.40	0.010	0.00	0.006	1,371	19.2	1,569
12/20/11 18:30	On	On	8.0	100%	30.7	--	--	--	4.546	1.59	0.009	0.00	0.005	1,416	--	--
12/20/11 19:30	On	On	9.0	100%	31.9	--	--	--	4.721	1.79	0.009	0.00	0.006	1,431	--	--
12/20/11 20:30	On	On	10.0	100%	32.3	--	--	--	4.789	1.99	0.009	0.00	0.006	1,446	18.7	1,513
12/20/11 21:30	On	On	11.0	100%	32.2	--	--	--	4.769	2.19	0.009	0.00	0.006	1,473	--	--
12/20/11 22:30	On	On	12.0	100%	32.4	--	--	--	4.792	2.39	0.009	0.01	0.006	1,485	--	--
12/20/11 23:30	On	On	13.0	100%	32.1	--	--	--	4.760	2.59	0.009	0.01	0.006	1,493	18.5	1,542
12/21/11 0:30	On	On	14.0	100%	31.9	--	--	--	4.721	2.78	0.009	0.01	0.006	1,522	--	--
12/21/11 1:30	On	On	15.0	100%	31.7	--	--	--	4.689	2.98	0.009	0.01	0.006	1,538	--	--
12/21/11 2:30	On	On	16.0	100%	31.4	--	--	--	4.647	3.17	0.009	0.01	0.005	1,556	18.9	1,515
12/21/11 3:30	On	On	17.0	100%	32.3	--	--	--	4.786	3.37	0.009	0.01	0.006	1,526	--	--
12/21/11 4:30	On	On	18.0	100%	31.4	--	--	--	4.643	3.57	0.009	0.01	0.005	1,518	--	--
12/21/11 5:30	On	On	19.0	100%	31.4	--	--	--	4.647	3.76	0.009	0.01	0.005	1,501	18.6	1,503
12/21/11 6:30	On	On	20.0	100%	4.0	--	--	--	0.592	3.78	0.001	0.01	0.001	1,498	--	--
12/21/11 7:30	On	On	21.0	100%	27.7	--	--	--	4.107	3.95	0.008	0.01	0.005	944	--	--
12/21/11 8:30	On	On	22.0	100%	32.0	--	--	--	4.737	4.15	0.009	0.01	0.006	1,046	--	--
12/21/11 9:30	On	On	23.0	100%	31.2	300	0.45	0.22	3.018	4.28	0.004	0.01	0.002	1,077	--	--
12/21/11 10:30	On	On	24.0	100%	32.5	--	--	--	3.140	4.41	0.004	0.01	0.002	1,135	--	--
12/21/11 12:30	On	On	26.0	100%	34.8	--	--	--	3.361	4.69	0.005	0.01	0.003	1,080	18.6	1,503
12/21/11 13:30	On	On	27.0	100%	38.9	--	--	--	3.760	4.85	0.005	0.01	0.003	1,104	--	--
12/21/11 14:30	On	On	28.0	100%	36.0	--	--	--	3.475	4.99	0.005	0.01	0.003	871	--	--
12/21/11 15:30	On	Off	29.0	100%	30.9	260	0.52	0.18	2.586	5.10	0.005	0.01	0.002	795	17.3	1,504

Monitoring Date	Arrival Status	Depart Status	Hour Meter Reading (hours)	Percent Uptime	INF 2 Flow (scfm)	INF 2 Concentration			Mass Removal*					PID Reading		Process Temperature (°F)
						GRO (ppmv)	Benzene (ppmv)	MTBE (ppmv)	GRO (lbs/day)	Benzene (lbs/day)	Benzene cumulative (lbs)	MTBE (lbs/day)	MTBE cumulative (lbs)	INF 2 (ppmv)	EFF (ppmv)	
12/21/11 20:30	Off	On	29.0	0%	34.3	640	4.3	0.10	7.058	0.043	0.01	0.001	0.01	1,750	18.7	1,503
12/21/11 21:30	On	On	30.0	100%	34.5	--	--	--	7.108	0.043	0.01	0.001	0.01	1,788	--	--
12/21/11 22:30	On	On	31.0	100%	34.9	--	--	--	7.189	0.044	0.01	0.001	0.01	1,741	17.9	1,510
12/21/11 23:30	On	On	32.0	100%	33.8	--	--	--	6.973	0.042	0.02	0.001	0.01	1,657	--	--
12/22/11 0:30	On	Off	33.0	100%	33.0	420	0.74	0.21	4.461	0.007	0.02	0.002	0.01	1,598	--	--

Notes:

INF 2 = INFLUENT 2 = Post-dilution influent port, aka 'process' and 'inlet of combustion chamber'

EFF = EFFLUENT = Effluent port, aka 'exhaust' and 'outlet of combustion chamber'

GRO = Gasoline Range Organics (C₄-C₁₂)

MTBE = Methyl tertiary butyl ether

PID = Photo-ionization detector

scfm = Standard cubic feet per minute

ppmv = Parts per million by volume

lbs/day = Pounds per day

lbs = Pounds

°F = Degrees Fahrenheit

-- = Not available or not applicable

Mass removal rate = Flow * Concentration * Molecular Weight * Molar Density of Air

Cumulative mass removed = Previous Mass Removed + Mass Removal Rate * Elapsed Time

*In the instance where the INFLUENT 2 concentration is less than the laboratory reporting limit, said reporting limit is used as the INFLUENT 2 actual concentration.

Molecular weight of gasoline = 86 lb/lb mol]

Molecular weight of benzene = 78 lb/lb mol]

Molecular weight of MTBE = 88 lb/lb mol]

Molar density of air = P/RT = 1 atm / (0.7302 [ft³ * atm] / [lb mol * °R]) / (68 + 459.67)°R = 0.00260 lb mol / ft³

Molar density of air based on standard pressure of 1 atm and standard temperature of 68°F, as used by the National Institute of Standards and Technology (NIST).



Appendix A

TPE Pilot Test Work Plan

BP T1 Deliverable Tracking Sheet

Project # GP09BPNA.C056.E0000	Document Date: 9/17/10
Site Address:	Date Sent: 9/17/10 <i>√JC</i>
	Drive Location:
	G:\COMMON\Data\Projects\BP\FoxGlove\5202\TPE Pilot Test Work
Site Number/ID: CA-5202	Lead Regulator: OCHCA
Alternate Site ID:	Secondary Regulator: RWQCB-SA

Report Preparation:

	Staff	Hours Budgeted	Hours Used	Draft	Final	Submitted
Author	A. Ohrt					
Peer Review	C. Sanders					
Senior Review	M. Fleischner/R. Andresen					
Technical Editor						
Production	J. Camasi					

Production:

Shipping: USPS FedEx Std. FedEx 2 Day FedEx AM UPS Other

Production: CD Hardcopy PDF E-Upload Other

Binding: Staple Comb 3-Ring Clear Cover AUS Cover Tabs

	Text	Tables	Figures	Appendices	File Copy(s)	Other
Color	1	1	1	1	*.pdf	
B&W					Hardcopy	

Send To: Kevin Lambert, Orange County Health Care Agency, Environmental Health Division

1241 East Dyer Road, Suite 120, Santa Ana, CA 92705

CC to: Valerie Jahn-Bull, RWQCB-Santa Ana Region

Additional Reproduction Instructions

Save copy as *.pdf in the originating project folder of the *.doc

√JC 9/17/10

Stamp the File copy with "Sent", the date it was sent, and method of shipment

√JC 9/17/10

Upload Instructions

E-Upload Instructions EIM Extranet Enfos FTP Other

Document Status: Draft Final

File/Document Name: CA-5202_091710_BP_TPE_Pilot_Test_Work_Plan

Document Title: TPE Pilot Test Work Plan

Document Description:

Task Category: B - PM C - Char E - FS/RAP K - Cons M - O&M
 N - GWM Q - Closure Z - History

Document Category:

<input type="checkbox"/> As-Builts	<input type="checkbox"/> Base Maps	<input type="checkbox"/> Boring Logs	<input type="checkbox"/> CAER/CASR	<input type="checkbox"/> Claims Package
<input type="checkbox"/> CSM	<input type="checkbox"/> Contracts	<input type="checkbox"/> Work Plan	<input type="checkbox"/> Cost Est	<input type="checkbox"/> Drawings
<input type="checkbox"/> Field Forms	<input type="checkbox"/> FS/RAP	<input type="checkbox"/> Historical	<input type="checkbox"/> Lab	<input type="checkbox"/> Maintenance
<input type="checkbox"/> Meeting Min	<input type="checkbox"/> Monitoring	<input type="checkbox"/> O&M	<input type="checkbox"/> Operating	<input type="checkbox"/> Permits
<input type="checkbox"/> Photos	<input checked="" type="checkbox"/> Pilot Study	<input type="checkbox"/> PMP	<input type="checkbox"/> SAP	<input type="checkbox"/> Remedial Design
<input type="checkbox"/> SAP	<input type="checkbox"/> QUAPP	<input type="checkbox"/> HASP	<input type="checkbox"/> Schedule	<input type="checkbox"/> SAR
<input type="checkbox"/> Work Authorization		<input type="checkbox"/> Correspondence		

Task Phase:

<input type="checkbox"/> B - Contracts and Work Authorizations	<input type="checkbox"/> B - Regulatory
<input type="checkbox"/> B - Internal Documents	<input type="checkbox"/> C - CSM
<input type="checkbox"/> C - MW Installation	<input type="checkbox"/> C - Soil and GW Investigation
<input type="checkbox"/> C - Hydrogeologic Investigations	<input type="checkbox"/> C - Indoor Air Investigation
<input type="checkbox"/> C - Survey Data	<input checked="" type="checkbox"/> C - Treatment Pilot Test
<input type="checkbox"/> E - Feasibility Study	<input type="checkbox"/> E - RAP
<input type="checkbox"/> K - Contracting Documents	<input type="checkbox"/> K Design
<input type="checkbox"/> K - Oversight	<input type="checkbox"/> K - Shakedown Startup
<input type="checkbox"/> K - Treatment Well Install	<input type="checkbox"/> M - Compliance Reporting
<input type="checkbox"/> M - Operational Data	<input type="checkbox"/> M - System O&M
<input type="checkbox"/> N - GWM Reports	<input type="checkbox"/> N - Quarterly / SA Events
<input type="checkbox"/> Q - NFA Request	<input type="checkbox"/> Q- Regulatory
<input type="checkbox"/> Q - System Decomm	<input type="checkbox"/> Q - Well Destruction

Milestone:

<input type="checkbox"/> 1A - Complete Field Investigation	<input checked="" type="checkbox"/> 2A - Submit RAP/Design
<input type="checkbox"/> 1B - Submit Characterization Report	<input type="checkbox"/> 3A - Submit Const. Compl. Report
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ARCADIS U.S., Inc.

**Two Phase Extraction Pilot Test
Work Plan**

ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, CA

OCHCA Case No. 93UT47


September 17, 2010

ARCADIS

For



Andrew Ohrt
Project Engineer



Rebecca Andresen
Technical Expert





Michael P. Fleischer, P.E.
Vice President

**Two Phase Extraction Pilot
Test Work Plan**

ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, CA

OCHCA Case No. 93UT47

Prepared for
ARCADIS

Prepared by
ARCADIS U.S., Inc.
2300 Eastlake Avenue East
Suite 200
Seattle
Washington 98102
Tel 206.325.5254
Fax 206.325.8218

Our Ref
GP09BPNA.C056

Date
September 17, 2010

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1. Introduction	1
2. Site Background	1
2.1 Site Description	1
2.2 Site Geology and Hydrogeology	1
2.3 Current Remedial Operations	2
2.4 Previous Pilot Testing	2
3. Proposed Pilot Testing	3
3.1 TPE Pilot Test	3
3.1.1 Permitting	4
3.1.2 Pilot Test Setup	4
3.1.3 Pilot Test System Monitoring	4
3.1.4 Radius of Influence Monitoring	5
3.1.5 Influent Sampling	5
3.1.5.1 Water	5
3.1.5.2 Vapor	5
3.1.6 Contingencies	6
4. Schedule	6
5. References	6

Tables

Table 1	Historical Groundwater Monitoring Results
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Figures

- Figure 1 Site Location Map
- Figure 2 Site Map
- Figure 3 Groundwater Elevation Contour Map – May 11, 2010
- Figure 4 Groundwater Analytical Map – May 11, 2010
- Figure 5 Dissolved GRO Isoconcentration Map – May 11, 2010
- Figure 6 Dissolved Benzene Isoconcentration Map – May 11, 2010
- Figure 7 Dissolved MTBE Isoconcentration Map – May 11, 2010
- Figure 8 Dissolved TBA Isoconcentration Map – May 11, 2010

Appendices

- A Boring Log for Monitoring Well B-12
- B ARCADIS Standard Operating Procedure

1. Introduction

On behalf of BP West Coast Products: LLC (BP), ARCADIS U.S., Inc. (ARCADIS) has prepared this Two Phase Extraction (TPE) Pilot Test Work Plan (work plan) proposing a TPE pilot test at Atlantic Richfield Company (ARCO) Facility No. 5202 at 12502 Harbor Boulevard, Garden Grove, California (site). The site is shown on **Figure 1**. This work plan has been prepared to test the effectiveness of TPE at addressing remaining impacts to soil and groundwater. This work plan contains a brief site description and history and the proposed scope of work for pilot testing.

2. Site Background

2.1 Site Description

The property is located on the southwest corner of Harbor Boulevard and Lampson Avenue in Garden Grove, California (**Figure 2**). The property is no longer owned by ARCO, and is currently a 7-11[®] convenience store with a paved parking lot. Formerly, the property was used as an ARCO retail gasoline station (ARCO's operations ceased in April 2001). When in use as a service station, activities at the property included storage of gasoline in underground storage tanks (UST) and retail gasoline dispensing at 12 fuel-dispensers distributed on three islands. Locations of former USTs and fuel-dispensers are shown on **Figure 2**. The site is located at an elevation of approximately 110 feet above mean sea level (amsl). Site topography is relatively flat, however, ground surface elevation slopes gently to the southwest at an approximate gradient of 0.0042 feet per foot (USGS, 1965).

2.2 Site Geology and Hydrogeology

Soil types encountered beneath the site during previous investigations include interlayered sand and silty sand to a depth of approximately 38 to 42 feet below ground surface (bgs). A clay layer, with a minimum thickness of 10 feet, is present from approximately 38 to 53 feet bgs and appears to be laterally continuous beneath the site. A lense of silty sand and sandy silt, which is approximately 2.5 to 4 feet thick, is present beneath the clay layer. Four cone penetrometer test (CPT) borings were advanced into this clay layer to a total depth of about 55 feet bgs during site assessment activities in February 2000. Each of the CPT borings terminated in clay beneath the silty sand, indicating that the potential confining layer between the shallow groundwater beneath the site and deeper saturated zones is at least 10 feet thick.

Historically, groundwater has been measured beneath the site at static depths ranging from 19.25 to 31.93 feet below top of casing (btoc). During the second quarter 2010 monitoring event on May 11, 2010, depth to groundwater beneath the site ranged from 24.68 to 29.41 feet btoc, and the groundwater flow direction was to the northwest at a gradient of 0.019 (foot/foot) ft/ft. Historically, the groundwater flow direction at the site has been consistently towards the west. Historical groundwater gauging data are presented in **Table 1** and the groundwater elevation contour map and isoconcentration maps for the second quarter 2010 are presented as **Figures 3** through **8**.

2.3 Current Remedial Operations

During the second quarter 2010 reporting period, the groundwater extraction (GWE) system recovered and treated approximately 48,152 gallons of petroleum hydrocarbon impacted groundwater. To date, the GWE system has recovered and treated approximately 343,634 gallons of petroleum hydrocarbon impacted groundwater from the site. The GWE system currently extracts groundwater from wells B-3, B-7, B-13, and SV-4. Groundwater monitoring data show concentrations of methyl tertiary butyl ether (MTBE) in the extraction wells have attenuated to 9.9 µg/L and 400 µg/L in wells B-3 and B-13, respectively. While tertiary butyl alcohol (TBA) concentrations have remained elevated they are generally stable or decreasing in the extraction wells and across the site. Mass removal rates achieved by the GWE system are sufficiently low that it will not likely remediate the site within a reasonable timeframe. In addition light non-aqueous phase liquid (LNAPL) was detected at a thickness of 0.03 foot in well B-12.

Groundwater extraction rates are less than one gallon of water per minute per well. The system was turned off on August 12, 2010 due to a leak in one of the carbon vessels used for treatment. An inspection of the vessel indicated that the leak is not repairable, and so the system will remain off-line pending the results of the testing proposed in this work plan.

From November 17, 2009, to present, LNAPL has been detected at thicknesses ranging from 0.03 to 0.05 foot in well B-12. Absorbent socks were installed on May 24, 2010, to monitoring well B-12 to remove reoccurring LNAPL.

2.4 Previous Pilot Testing

In July 2000, a high-vacuum dual-phase extraction (HVDPE) pilot test was conducted on well B-7 to compare the effectiveness of HVDPE with the existing SVE system

(Delta, 2001). The test lasted approximately 10 hours and calculated removal rates ranged from 92 pounds per day (lbs/day) to 139 lbs/day. Analytical gasoline range organics (GRO) concentrations in the vapor influent ranged from 1,600 and 2,100 parts per million by volume (ppmv). The vapor extraction radius of influence was calculated to be 105 feet, groundwater drawdown was not measured in adjacent wells. The results of the HVDPE pilot test summary report indicated that lowering of the water table in the treatment well and subsequently exposing additional soil to SVE did not significantly increase the measured inlet hydrocarbon vapor concentrations. The test did demonstrate that increasing the extraction flow rate increases the hydrocarbon extraction rate proportionally. Analytical groundwater samples were not collected.

In August 2000, a second high vacuum pilot test was conducted on well B-7 (IT Corp., 2000). During the test a stinger was set at 5 feet below the ground water surface. Groundwater extraction rates ranged from 0.00 to 0.42 gpm while vapor extraction rates ranged from 47 to 50 standard cubic feet per minute at a vacuum up to approximately 14.3 inches of mercury (inHg). The pilot test ran for approximately 9 hours and recovery rates ranged up to 7.5 lbs/day.

3. Proposed Pilot Testing

Although the results of previously performed extraction pilot testing varied, based on the soil types, anticipated groundwater flow rates, and distribution of impacts TPE appears to be an appropriate technology to address remaining impacts at this site. TPE is proposed due to the lower expected groundwater production rates and the depth to water, an aboveground liquid ring pump (LRP) should be capable of dewatering the well low enough to expose the formation. Therefore, ARCADIS proposes a three day TPE pilot test on existing well B-12. The pilot test will assess LNAPL, dissolved-phase and vapor-phase petroleum hydrocarbon mass removal rates from the well. Pilot testing will also measure stress placed on the groundwater and soil vapor in surrounding wells.

3.1 TPE Pilot Test

The proposed pilot test will be conducted 24 hours a day and is expected to last for approximately 3 days and will not exceed 72 hours. The test may be ended prior to 72 hours if results indicate that TPE is not effective.

3.1.1 Permitting

Air emissions will be permitted under various locations permit issued by the South Coast Air Quality Management District (SCAQMD). Groundwater treatment requirements and discharge are permitted under the existing permit number 52-236 from the Orange County Sanitation District. Depending on the condition of the carbon vessels at the site, ARCADIS may temporarily store extracted groundwater during the pilot test prior to transportation and disposal offsite.

3.1.2 Pilot Test Setup

Groundwater extraction from well B-12 will be conducted using a 20 horsepower pump capable of producing a maximum vacuum of 29 in. Hg. A down hole drop tube (also known as a "stinger") will be set with its intake at approximately 33 feet bgs (4 feet below the historic maximum depth to groundwater). The system will then be connected to the top of well B-12 with the capability to extract vapor at a flow rate of up to 300 actual cubic feet per minute (acfm). A compression well cap will seal the stinger against the wellhead. A 100 gallon knock out tank and transfer pump will be used to separate and transfer the groundwater from the extracted fluid stream. Extracted groundwater will be transferred to the existing GWE system for treatment and discharge while extracted vapors will be treated by a thermal oxidizer prior to being discharged to the atmosphere.

3.1.3 Pilot Test System Monitoring

Air flow and pressure will be measured after separation of the groundwater and vapor streams before (negative pressure) and/or after the blower (positive pressure). Air flow will be measured using a pitot tube and differential pressure gauge and verified using a handheld hot-wire anemometer. Groundwater flow will be measured by a totalizer on the knock-out of the TPE system and periodically spot checked using a graduated cylinder.

Vacuum measurements will be taken from the wellhead on the stinger and on the well casing. During the test, these vacuum readings should be approximately equal to indicate equalization of vacuum in the well casing and sufficient dewatering of the well for pilot testing activities.

Organic vapor concentration measurements will be collected periodically throughout the test using a flame-ionization detector (FID) to optimize applied vacuums.

3.1.4 Radius of Influence Monitoring

Prior to initiating the pilot test, down hole pressure transducers will be installed in monitoring wells B-7 and B-13. These data loggers will be set to record the groundwater elevation every minute to record any change in groundwater elevation due to extraction. In addition, vacuum gauges will be installed on well B-7 and B-13 to measure applied vacuum to these wells during pilot testing. Groundwater elevations will be spot checked periodically in wells B-7 and B-13 using a handheld water level meter.

Induced vacuum measurements will be taken by hand approximately every 30 minutes during the first two hours of the pilot test and then the interval will extend to approximately 4 hours for the remainder of the test based on changes observed. If limited changes are measured in the applied vacuum, the interval between measurements will be extended accordingly.

3.1.5 Influent Sampling

3.1.5.1 Water

To assess dissolved-phase mass removal, monitoring of the influent water stream to the GWE system will be conducted daily during the pilot test. Samples will be collected in analytical laboratory supplied bottles and submitted to a California Department of Health Services approved analytical laboratory for:

- GRO by EPA Method 8260B
- Benzene, toluene, ethylbenzene, total xylenes (BTEX), methyl tertiary butyl ether (MTBE), tertiary butyl alcohol (TBA), di-isopropyl ether (DIPE), ethyl tertiary butyl ether (ETBE), tertiary amyl methyl ether (TAME) and ethanol by EPA Method 8260B

Effluent water samples will be collected periodically from the effluent water stream of the GWE system to ensure compliance with the existing permit.

3.1.5.2 Vapor

To characterize the vapor phase stream and calculate mass removal rates, analytical samples will be collected in SUMMA[®] canisters from the influent vapor stream before

treatment by the thermal oxidizer and submitted to a California Department of Health Services approved analytical laboratory for:

- GRO by EPA Method 25 Modified
- BTEX and MTBE by EPA TO-14 Modified
- Methane by EPA 18 Modified
- Oxygen and carbon dioxide by ASTM D1946

According to the ARCADIS Standard Operating Procedure included in **Appendix B**, effluent vapor samples will be collected periodically from the effluent of the mobile system to ensure compliance with the existing permit. The analytical data will be used to confirm FID measurements during the test and estimate thermal oxidizer mass destruction rates.

3.1.6 Contingencies

If proper dewatering is not achieved during the test, the stinger will be replaced with a submersible down hole pump. In general, monitoring during the pilot test will be the same, however, drawdown measurements will be taken from well B-12 to confirm proper drawdown in the extraction well. Also, if pressure transducers are not able to collect accurate pressure measurements in the monitoring wells, the well caps will be temporarily removed and depth-to-water measurements will be manually collected to measure groundwater drawdown in the wells.

4. Schedule

Upon acceptance of this work plan, pilot testing is planned for the fourth quarter of 2010. The initiation of this work is dependent on obtaining access to the site and notification of the SCAQMD a minimum of 24 hours prior to testing. A pilot testing completion report and/or a revised Corrective Action Plan will be submitted to Orange County Health Care Agency following completion of the proposed work detailing pilot test results and recommendations for future activities at the site.

5. References

Delta, 2001. *High Vacuum Dual Phase Extraction Pilot Test Report*. Delta Consultants. March 23, 2001.

IT Corp., 2000. *Pilot Study Report*. IT Corporation. November 14, 2000.

ARCADIS

**Two Phase Extraction
Pilot Test Work Plan**

ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, CA

USGS, 1965. *Anaheim Quadrangle, California – Orange County 7.5 Minute Series (Topographic): Scale, 1:24,000.* United States Geological Survey. Denver, Colorado. 1965.

ARCADIS

Tables

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-3	3/1/94		112.22	30.60	0.00	81.62	640	79	23	48	44	---	---	---	---	---	---
B-3	6/16/94		112.22	29.87	0.00	82.35	290	120	4.6	39	16	---	---	---	---	---	---
B-3	9/16/94		112.22	30.05	0.00	82.17	2,200	580	210	64	270	---	---	---	---	---	---
B-3	12/29/94		112.22	30.07	0.00	82.15	800	140	29	32	21	---	---	---	---	---	---
B-3	3/17/95		112.22	27.16	0.00	85.06	1,900	230	73	79	120	---	---	---	---	---	---
B-3	6/9/95		112.22	26.32	0.00	85.90	310	37	9.7	---	---	---	---	---	---	---	---
B-3	9/29/95		112.22	27.16	0.00	85.06	---	---	---	---	---	---	---	---	---	---	---
B-3	12/13/95		112.22	28.22	0.00	84.00	2,000	270	57	81	61	---	---	---	---	---	---
B-3	3/14/96		112.22	29.10	0.00	83.12	440	46	7.4	34	27	280	---	---	---	---	---
B-3	6/6/96		112.22	28.40	0.00	83.82	700	44	4.5	22	28	320	---	---	---	---	---
B-3	9/10/96		112.22	28.35	0.00	83.87	720	8.5	16	22	28	160	---	---	---	---	---
B-3	12/3/96		112.22	26.94	0.00	85.28	1,000	170	22	21	36	830	---	---	---	---	---
B-3	3/27/97		112.22	26.49	0.00	85.73	780	110	1.5	59	14	1,200	---	---	---	---	---
B-3	6/4/97		112.22	26.90	0.00	85.32	510	78	2	55	13	1,300	---	---	---	---	---
B-3	8/28/97		112.22	27.47	0.00	84.75	940	110	<3.0	67	17	1,900	---	---	---	---	---
B-3	11/20/97		112.22	26.86	0.00	85.36	540	69	2.3	55	6	2,000	---	---	---	---	---
B-3	3/4/98		112.22	26.07	0.00	86.15	480	130	5.8	38	13	4,200	---	---	---	---	---
B-3	6/4/98		112.22	23.83	0.00	88.39	440	78	1.2	22	5.8	5,000	---	---	---	---	---
B-3	8/5/98		112.22	23.28	0.00	88.94	430	54	6.7	12	18	8,200	---	---	---	---	---
B-3	11/11/98		112.22	24.25	0.00	87.97	330	29	0.52	28	2.3	6,000	---	---	---	---	---
B-3	2/23/99		112.22	25.25	0.00	86.97	260	15	<0.3	24	2.2	5,400	---	---	---	---	---
B-3	6/15/99		112.22	25.85	0.00	86.37	99	7.3	<0.3	9.2	0.72	3,400	---	---	---	---	---
B-3	9/17/99		112.22	27.72	0.00	84.50	230	21	0.37	11	1.4	3,800	---	---	---	---	---
B-3	12/16/99		112.22	27.50	0.00	84.72	<250	2.2	<1.5	5.9	<3.0	3,500	---	---	---	---	---
B-3	3/21/00		112.22	26.31	0.00	85.91	<100	1.9	<0.6	2.7	<1.2	1,800	---	---	---	---	---
B-3	6/23/00		112.22	26.65	0.00	85.57	77	3.7	<0.3	7	2	1,600	---	---	---	---	---
B-3	9/14/00		112.22	27.90	0.00	84.32	120	12	<0.3	9	7.3	3,100	---	---	---	---	---
B-3	12/6/00		112.22	28.42	0.00	84.32	75	1.2	0.35	3.4	<0.6	1,200	<1,300	---	---	---	---
B-3	3/5/01		112.22	26.92	0.00	83.80	<50	0.59	<0.3	1.7	<0.6	650	<500	<50	<50	<130	<130
B-3	6/5/01		112.22	25.91	0.00	85.30	69	0.56	<0.3	3.4	<0.6	2,500	1,100	<50	<100	<50	<50
B-3	8/28/01		112.22	25.91	0.00	86.31	65	0.99	<0.3	2.1	<0.6	1,500	740	<100	<100	<50	<50
B-3	12/3/01		112.22	26.15	0.00	86.07	55	0.8	<0.3	1.5	<0.6	2,100	1,200	<50	<50	<50	<50
B-3	3/5/02		112.22	26.95	0.00	85.27	<50	<0.3	<0.3	<0.3	<0.6	2,500	1,100	<50	<50	<50	<50
B-3	5/23/02		112.22	27.63	0.00	84.59	85	<0.3	<0.3	<0.3	<0.6	2,800	<2,000	<200	<200	<200	<200
B-3	9/20/02		112.22	27.80	0.00	84.42	69	<0.3	0.52	<0.3	<0.6	3,000	1,600	<50	<50	<50	<50
B-3	12/23/02		112.22	27.98	0.00	84.24	<50	<0.3	<0.3	<0.3	<0.6	1,600	790	<20	<20	<20	<20
B-3	3/20/03		112.22	27.82	0.00	84.40	<50	<0.3	<0.3	<0.3	<0.6	1,500	1,500	<20	<20	<20	<20
B-3	6/23/03		112.22	27.35	0.00	84.87	<50	<0.3	<0.3	<0.3	<0.6	2,800	1,500	<200	<200	<200	<200
B-3	9/22/03		112.22	25.92	0.00	86.30	73	0.38	1	<0.3	<0.6	2,200	1,700	<200	<200	<200	<6000
B-3	11/19/03		112.22	25.70	0.00	86.52	75	0.45	0.66	<0.3	<0.6	3,500	2,800	<50	<50	<50	<1500
B-3	2/23/04		112.22	25.96	0.00	86.26	59	<0.3	0.75	<0.3	<0.6	3,300	3,200	<120	<120	<120	<3800
B-3	5/24/04		112.22	26.40	0.00	85.82	66	<0.3	0.3	<0.3	<0.6	2,300	2,400	<50	<50	<50	<6000
B-3	8/23/04		112.22	25.87	0.00	86.35	59	<0.3	0.58	<0.3	<0.6	1,800	4,500	<5.0	<5.0	<5.0	<150
B-3	11/22/04		112.22	25.83	0.00	86.39	<50	<0.3	0.6	<0.3	<0.6	1,800	2,300	<5.0	<5.0	<5.0	<150
B-3	2/21/05		112.22	25.70	0.00	86.52	78	<0.3	<0.3	<0.3	<0.6	1,900	2,200	<5.0	<5.0	<5.0	<150
B-3	5/2/05		112.22	23.71	0.00	88.51	67	<2.0	<2.0	<2.0	<4.0	2,000	2,900	<5.0	<5.0	<5.0	<150
B-3	8/15/05		112.22	21.77	0.00	90.45	50	0.3	<0.3	<0.3	<0.6	1,700	2,400	<12	<12	<12	<380
B-3			112.22	21.19	0.00	91.03	96	<0.3	1.2	<0.3	<0.6	3,000	3,800	<5.0	<5.0	<5.0	<150

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msf)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msf)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L	
B-5	12/16/99		113.20	26.24	0.00	86.96	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	12/16/99		113.20	26.24	0.00	86.96	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	3/21/00		113.20	26.75	0.00	86.45	<50	<0.3	<0.3	<0.3	<0.6	0.58 J						
B-5	6/23/00		113.20	26.81	0.00	86.39	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	9/14/00		113.20	27.23	0.00	85.97	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	11/6/00		113.20	27.67	0.00	85.53	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	3/5/01		113.20	26.87	0.00	86.33	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	6/5/01		113.20	24.77	0.00	88.43	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	8/28/01		113.20	24.79	0.00	88.41	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	12/3/01		113.20	25.55	0.00	87.65	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	3/5/02		113.20	26.14	0.00	87.06	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	5/23/02		113.20	26.33	0.00	86.87	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	9/20/02		113.20	26.73	0.00	86.47	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	12/23/02		113.20	26.61	0.00	86.59	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	3/20/03		113.20	25.80	0.00	87.40	<50	<0.3	<0.3	<0.3	<0.6	<5.0						
B-5	6/23/03		113.20	24.07	0.00	89.13	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	9/22/03		113.20	23.92	0.00	89.28	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	11/19/03		113.20	24.24	0.00	88.96											<150	
B-5	2/23/04		113.20	24.82	0.00	88.38	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	5/24/04		113.20	24.16	0.00	89.04	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	8/23/04		113.20	24.11	0.00	89.09	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	11/22/04		113.20	23.97	0.00	89.23	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	2/21/05		113.20	21.72	0.00	91.48	<50	<2.0	<2.0	<2.0	<4.0	<5.0					<150	
B-5	5/2/05		113.20	20.06	0.00	93.14	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	8/15/05		113.20	19.80	0.00	93.40	<50	<0.3	<0.3	<0.3	<0.6	<5.0					<150	
B-5	11/15/05		113.20	20.21	0.00	92.99												
B-5	2/20/06		113.20	20.80	0.00	92.40	<50	<2.0	<2.0	<2.0	<4.0	<5.0					<150	
B-5	5/15/06		113.20															
B-5	9/18/06		113.20															
B-5	12/14/06		113.20															
B-5	2/6/07		113.20	14.97	0.00	98.23												
B-5	5/14/07		113.20															
B-5	8/13/07		113.20															
B-5	10/31/07		113.20															
B-5	2/14/08		113.20	21.73	0.00	91.47	<50	<2.0	<2.0	<2.0	<4.0	<5.0					<150	
B-5	2/15/08																	
B-5	5/2/08		113.20															
B-5	8/1/08		113.20															
B-5	11/20/08		113.20															
B-5	1/13/09		113.20	22.84	0.00	90.36												
B-5	5/8/09		113.20															
B-5	8/17/09		113.20															
B-5	3/15/10		113.20	23.48	0.00	89.72	<50	<2.0	<2.0	<2.0	<4.0	<5.0					<150	
B-6	3/1/94		113.71	29.56	0.00	84.15	<50	<0.3	<0.3	<0.3	<0.6							
B-6	6/16/94		113.71	29.14	0.00	84.57	<50	<0.3	<0.3	<0.3	<0.6							
B-6	9/16/94		113.71	29.65	0.00	84.06	<50	<0.3	<0.3	<0.3	<0.6							
B-6	12/29/94		113.71	29.66	0.00	84.05	<50	<0.3	<0.3	<0.3	<0.6							

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-6	3/17/95		113.71	26.90	0.00	86.81	<50	<0.3	<0.3	<0.6							
B-6	6/9/95		113.71	25.97	0.00	87.74	<50	<0.3	<0.3	<0.6							
B-6	9/29/95		113.71	26.85	0.00	86.86	<50	<0.3	<0.3	<0.6							
B-6	12/13/95		113.71	27.86	0.00	85.85	<50	<0.3	<0.3	<0.6							
B-6	3/14/96		113.71	28.50	0.00	85.21	<50	1.1	<0.3	<0.6	13						
B-6	6/6/96		113.71	28.07	0.00	85.64	<50	<0.3	<0.3	<0.6	12						
B-6	9/10/96		113.71	28.07	0.00	85.64	<50	<0.3	<0.3	<0.6	54						
B-6	12/3/96		113.71	28.55	0.00	85.16	<50	0.32	<0.3	<0.6	29						
B-6	3/27/97		113.71	25.80	0.00	87.91	<50	<0.3	<0.3	<0.6	710						
B-6	6/4/97		113.71	26.05	0.00	87.66	<50	<0.3	<0.3	<0.6	500						
B-6	8/28/97		113.71	26.82	0.00	86.89	<50	<0.3	<0.3	<0.6	540						
B-6	11/20/97		113.71	28.74	0.00	84.97	<50	<0.3	<0.3	<0.6	250						
B-6	3/4/98		113.71	25.28	0.00	88.43	<50	<0.3	<0.3	<0.6	140						
B-6	6/4/98		113.71	23.01	0.00	90.70	<50	<0.3	<0.3	<0.6	690						
B-6	8/5/98		113.71	22.78	0.00	90.93	<50	<0.3	<0.3	<0.6	1,100						
B-6	11/11/98		113.71	23.40	0.00	89.31	<50	<0.3	<0.3	<0.6	420						
B-6	2/23/99		113.71	24.40	0.00	89.31	<50	<0.3	<0.3	<0.6	95						
B-6	6/15/99		113.71	24.98	0.00	88.73	<50	<0.3	<0.3	<0.6	7.1						
B-6	9/17/99		113.71	27.00	0.00	86.71	<50	<0.3	<0.3	<0.6	<5.0						
B-6	12/16/99		113.71	26.94	0.00	86.77	<50	<0.3	<0.3	<0.6	21						
B-6	3/21/00		113.71	27.46	0.00	86.25	<50	<0.3	<0.3	<0.6	12						
B-6	6/23/00		113.71	27.55	0.00	86.16	<50	<0.3	<0.3	<0.6	10						
B-6	9/14/00		113.71	27.95	0.00	85.76	<50	<0.3	<0.3	<0.6	6.3				<5.0	<5.0	<5.0
B-6	12/6/00		113.71	28.36	0.00	85.35	<50	<0.3	<0.3	<0.6	6.5				<5.0	<5.0	<5.0
B-6	3/5/01		113.71	27.58	0.00	86.13	<50	<0.3	<0.3	<0.6	7.5				<5.0	<5.0	<5.0
B-6	6/5/01		113.71	25.56	0.00	88.15	<50	<0.3	<0.3	<0.6	22				<5.0	<5.0	<5.0
B-6	8/28/01		113.71	25.60	0.00	88.11	<50	<0.3	<0.3	<0.6	25				<5.0	<5.0	<5.0
B-6	12/3/01		113.71	26.32	0.00	87.39	<50	<0.3	<0.3	<0.6	17				<5.0	<5.0	<5.0
B-6	3/5/02		113.71	26.92	0.00	86.79	<50	<0.3	<0.3	<0.6	20				<5.0	<5.0	<5.0
B-6	5/23/02		113.71	27.12	0.00	86.59	<50	<0.3	<0.3	<0.6	16				<5.0	<5.0	<5.0
B-6	9/20/02		113.71	27.45	0.00	86.26	<50	<0.3	<0.3	<0.6	17				<5.0	<5.0	<5.0
B-6	12/23/02		113.71	27.31	0.00	86.40	<50	<0.3	<0.3	<0.6	17				<5.0	<5.0	<5.0
B-6	3/20/03		113.71	26.50	0.00	87.11	<50	<0.3	<0.3	<0.6	21				<5.0	<5.0	<5.0
B-6	6/23/03		113.71	24.91	0.00	88.80	<50	<0.3	<0.3	<0.6	19				<5.0	<5.0	<5.0
B-6	9/22/03		113.71	24.74	0.00	88.97	<50	<0.3	<0.3	<0.6	28				<5.0	<5.0	<5.0
B-6	11/19/03		113.71	25.04	0.00	88.67	<50	<0.3	<0.3	<0.6	22				<5.0	<5.0	<5.0
B-6	2/23/04		113.71	25.66	0.00	88.05	<50	<0.3	<0.3	<0.6	23				<5.0	<5.0	<5.0
B-6	5/24/04		113.71	24.99	0.00	88.72	<50	<0.3	<0.3	<0.6	31				<5.0	<5.0	<5.0
B-6	8/23/04		113.71	24.91	0.00	88.80	<50	<0.3	<0.3	<0.6	28				<5.0	<5.0	<5.0
B-6	11/22/04		113.71	24.81	0.00	88.90	<50	<0.3	<0.3	<0.6	26				<5.0	<5.0	<5.0
B-6	2/21/05		113.71	22.63	0.00	88.90	<50	<0.3	<0.3	<0.6	19				<5.0	<5.0	<5.0
B-6	5/21/05		113.71	20.90	0.00	92.81	<50	<2.0	<2.0	<4.0	12				<5.0	<5.0	<5.0
B-6	8/15/05		113.71	20.43	0.00	93.28	<50	<0.3	<0.3	<0.6	<5.0				<5.0	<5.0	<5.0
B-6	11/15/05		113.71	20.83	0.00	92.88	<50	<0.3	<0.3	<0.6	<5.0				<5.0	<5.0	<5.0
B-6	2/20/06		113.71	21.42	0.00	92.29	<50	<2.0	<2.0	<4.0	<5.0				<5.0	<5.0	<5.0
B-6	5/15/06	Well gauged annually	113.71	—	—	—	—	—	—	—	6.6				<5.0	<5.0	<5.0
B-6	9/18/06	Well gauged annually	113.71	—	—	—	—	—	—	—	—				—	—	—

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Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft. msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft. ms)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-6	12/14/06	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	2/6/07	Well gauged annually	113.71	21.52	0.00	92.19	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
B-6	5/14/07	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	8/13/07	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	10/3/07	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	2/14/08	Well gauged annually	113.71	22.43	0.00	91.28	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	7.1	< 5.0	< 5.0	< 5.0	< 5.0	< 150
B-6	2/15/08	Well gauged annually	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	5/2/08	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	8/1/08	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	11/20/08	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	1/13/09	Well gauged annually	113.71	23.57	0.00	90.14	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	6.2	< 5.0	< 5.0	< 5.0	< 5.0	< 150
B-6	1/14/09	Well gauged annually	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	5/8/09	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	8/17/09	Well gauged annually	113.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-6	3/15/10	Well gauged annually	113.71	24.14	0.00	89.57	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
B-7	3/1/94	Well screened 20-40 ft bgs	111.70	31.83	1.51	81.00	—	—	—	—	—	—	—	—	—	—	—
B-7	6/16/94		111.70	29.87	0.02	81.85	—	—	—	—	—	—	—	—	—	—	—
B-7	9/16/94		111.70	30.61	0.03	81.11	—	—	—	—	—	—	—	—	—	—	—
B-7	12/29/94		111.70	30.60	0.03	81.12	—	—	—	—	—	—	—	—	—	—	—
B-7	3/17/95	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	6/9/95	Gauged during LPH recovery activities	111.70	28.90	0.00	82.80	—	—	—	—	—	—	—	—	—	—	—
B-7	9/29/95	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	12/13/95	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	3/14/96	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	6/6/96	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	9/10/96	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	12/3/96	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	3/27/97	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	6/4/97	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	8/28/97	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	11/20/97	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	3/4/98	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	6/4/98	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 1
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Former ARCO Facility No. 5202
12502 Harbor Boulevard
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Well ID	Date	Notes	TOC Elevation (ft. msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft. msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-7	8/5/98	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	11/11/98	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	2/23/99	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	6/15/99	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	9/17/99	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	12/16/99	Gauged during LPH recovery activities	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	3/21/00		111.70	27.66	0.27	84.24	—	—	—	—	—	—	—	—	—	—	—
B-7	6/23/00		111.70	27.15	0.04	84.58	—	—	—	—	—	—	—	—	—	—	—
B-7	9/14/00		111.70	27.62	0.02	84.10	—	—	—	—	—	—	—	—	—	—	—
B-7	12/6/00	Well connected to SVE system	111.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	3/5/01		111.70	27.11	0.20	84.74	—	—	—	—	—	—	—	—	—	—	—
B-7	6/5/01		111.70	25.55	0.05	86.19	—	—	—	—	—	—	—	—	—	—	—
B-7	8/28/01		111.70	25.58	0.05	86.16	—	—	—	—	—	—	—	—	—	—	—
B-7	12/3/01		111.70	26.34	0.05	85.40	—	—	—	—	—	—	—	—	—	—	—
B-7	3/5/02		111.70	27.21	0.26	84.69	—	—	—	—	—	—	—	—	—	—	—
B-7	5/23/02		111.70	27.26	0.08	84.50	—	—	—	—	—	—	—	—	—	—	—
B-7	9/20/02		111.70	27.27	0.04	84.46	—	—	—	—	—	—	—	—	—	—	—
B-7	12/23/02	Sheen	111.70	27.18	Sheen	84.52	—	—	—	—	—	—	—	—	—	—	—
B-7	3/20/03	Sheen	111.70	26.80	Sheen	84.90	—	—	—	—	—	—	—	—	—	—	—
B-7	6/23/03	Sheen	111.70	25.13	Sheen	86.57	2,900	29	11	210	260	250	210	<5.0	<5.0	<5.0	<150
B-7	9/22/03	Sheen	111.70	24.93	Sheen	86.77	2,200	30	2.6	140	120	400	400	<12	<12	<12	<380
B-7	11/19/03	Sheen	111.70	25.14	Sheen	86.56	1,800	7.5	5.5	110	77	790	670	<12	<12	<12	<380
B-7	2/23/04	Sheen	111.70	25.66	Sheen	86.04	1,900	22	<3.0	120	77	960	750	<5.0	<5.0	<5.0	<1500
B-7	5/24/04	Sheen	111.70	25.21	0.00	86.49	1,300	3.3	<3.0	100	34	1,000	720	<12	<12	<12	<380
B-7	8/23/04	Sheen	111.70	25.03	Sheen	86.67	1,300	24	3.9	140	31	600	430	<5.0	<5.0	<5.0	<150
B-7	11/22/04	Sheen	111.70	25.00	Sheen	86.70	1,200	17	<3.0	85	52	4,600	2,800	<25	<25	<25	<750
B-7	2/21/05	Sheen	111.70	23.57	0.60	88.58	2,000	26	<20	130	220	840	1,200	<25	<25	<25	<1500
B-7	5/2/05	Sheen	111.70	21.79	0.06	89.96	1,200	17	1.8	89	36	620	600	<25	<25	<25	<750
B-7	8/15/05	Sheen	111.70	20.87	0.22	91.00	12,000	22	33	380	1,300	270	300	<5.0	<5.0	<5.0	<150
B-7	11/15/05	Sheen	111.70	20.76	0.22	91.11	6,300	32	<10	200	290	920	970	<25	<25	<25	<750
B-7	2/20/06	Sheen	111.70	21.35	0.23	90.52	2,900	<40	<40	150	<80	2,900	2,900	<100	<100	<100	<3000
B-7	5/15/06	Sheen	111.70	21.16	0.06	90.59	5,100	<40	<40	59	<80	2,200	1,900	<100	<100	<100	<3000
B-7	9/18/06	Sheen	111.70	20.51	0.01	91.20	2,000	<100	<100	<100	<200	2,900	3,500	<250	<250	<250	<7500
B-7	12/14/06	Sheen	111.70	20.83	0.02	90.89	1,400	<40	<40	67	<80	1,600	2,700	<100	<100	<100	<3000
B-7	2/6/07	Sheen	111.70	21.04	Sheen	90.66	760	37	<20	36	<40	1,500	2,300	<50	<50	<50	<1500
B-7	5/14/07	Sheen	111.70	24.10	0.00	87.60	1,100	170	<80	110	<160	2,100	6,100	<200	<200	<200	<6000
B-7	8/13/07	Sheen	111.70	23.03	0.01	88.68	16,000	130	<40	160	<80	1,200	5,900	<100	<100	<100	<3000
B-7	10/31/07	Sheen	111.70	23.31	0.00	88.39	1,400	69	<20	92	<40	1,200	7,100	<50	<50	<50	<1500
B-7	2/14/08	Sheen	111.70	23.55	0.00	88.15	—	—	—	—	—	—	—	—	—	—	—
B-7	2/15/08	Sheen	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-7	5/2/08	Pump in well	111.70	22.89	0.00	88.81	1,100	11	<20	59	<40	1,400	4,800	<50	<50	<50	<1500

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-8	9/22/03		111.71	23.32	0.00	88.39	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	11/19/03		111.71	23.77	0.00	87.94	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	2/23/04		111.71	24.58	0.00	87.13	< 5.0	0.33	0.33	< 0.3	0.81	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	5/24/04		111.71	23.78	0.00	87.93	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	8/23/04		111.71	23.48	0.00	88.23	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	11/22/04		111.71	23.42	0.00	88.29	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	2/21/05		111.71	21.55	0.00	90.16	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	5/2/05		111.71	19.81	0.00	91.90	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	8/15/05		111.71	19.25	0.00	92.46	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 25	< 5.0	< 5.0	< 5.0	< 150
B-8	11/15/05		111.71	19.42	0.00	92.29	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	2/20/06		111.71	20.02	0.00	91.89	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	5/15/06	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	8/17/06	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	9/18/06	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	12/14/06	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	2/6/07		111.71	20.04	0.00	91.67	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	5/14/07	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	8/13/07	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	10/31/07	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	2/14/08		111.71	21.08	0.00	90.63	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	2/15/08		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	5/2/08	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	8/1/08	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	11/20/08	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	1/13/09		111.71	22.15	0.00	89.56	130	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	1/14/09		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	5/8/09	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	8/17/09	Well gauged annually	111.71	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-8	3/15/10		111.71	23.21	0.00	88.50	< 5.0	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-8	3/16/10		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B-9	9/16/94	Well screened 20-39 ft bgs	111.42	28.49	0.00	82.93	< 5.0	< 0.3	< 0.3	< 0.3	< 0.6	< 5.0	< 50	< 5.0	< 5.0	< 5.0	< 150
B-9	12/29/94		111.42	28.48	0.00	82.94	920	33	11	75	190	—	—	—	—	—	—
B-9	3/17/95		111.42	30.45	0.00	80.97	890	29	11	86	180	—	—	—	—	—	—
B-9	6/9/95		111.42	29.24	0.00	82.18	1,100	53	19	100	280	—	—	—	—	—	—
B-9	9/29/95		111.42	29.48	0.00	81.94	440	18	2.6	31	57	—	—	—	—	—	—
B-9	12/13/95		111.42	30.15	0.00	81.27	370	9.6	1.8	30	52	—	—	—	—	—	—
B-9	3/14/96		111.42	30.70	0.00	80.72	960	29	5.8	87	150	< 10	—	—	—	—	—
B-9	6/6/96		111.42	30.03	0.00	81.39	620	18	4.6	70	13	< 10	—	—	—	—	—
B-9	9/10/96		111.42	29.67	0.00	81.75	310	5	< 0.6	34	28	< 10	—	—	—	—	—
B-9	12/3/96		111.42	30.59	0.00	80.83	1,300	52	19	190	320	< 10	—	—	—	—	—
B-9	3/27/97		111.42	29.07	0.00	82.35	1,900	69	23	88	230	120	—	—	—	—	—
B-9	6/4/97		111.42	29.20	0.00	82.22	790	51	3.5	59	66	< 10	—	—	—	—	—
B-9	8/28/97		111.42	29.57	0.00	81.85	520	52	< 1.5	49	9.9	< 10	—	—	—	—	—
B-9	11/20/97		111.42	30.17	0.00	81.25	220	17	< 0.3	25	3.1	< 10	—	—	—	—	—
B-9	3/4/98		111.42	28.69	0.00	82.73	1,400	68	15	96	220	< 20	—	—	—	—	—
B-9	6/4/98		111.42	26.59	0.00	84.83	1,000	58	6.4	77	110	< 50	—	—	—	—	—
B-9	8/5/98		111.42	26.35	0.00	85.07	1,300	73	7.7	88	130	< 200	—	—	—	—	—

Table 1
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Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-12	6/4/98	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	8/5/98	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	11/11/98	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	2/23/99	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	6/15/99	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	9/17/99	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	12/16/99	Gauged during LPH recovery activities	111.12	--	--	--	--	--	--	--	--	--	--	--	--	--	--
B-12	3/21/00		111.12	26.93	0.11	84.27	--	--	--	--	--	--	--	--	--	--	--
B-12	6/23/00		111.12	27.74	0.05	83.42	--	--	--	--	--	--	--	--	--	--	--
B-12	9/14/00		111.12	27.21	0.10	83.99	--	--	--	--	--	--	--	--	--	--	--
B-12	12/6/00		111.12	27.94	0.45	83.52	--	--	--	--	--	--	--	--	--	--	--
B-12	3/5/01		111.12	27.39	0.07	83.78	--	--	--	--	--	--	--	--	--	--	--
B-12	6/5/01		111.12	25.22	0.07	85.95	--	--	--	--	--	--	--	--	--	--	--
B-12	8/28/01		111.12	25.25	0.10	85.95	--	--	--	--	--	--	--	--	--	--	--
B-12	12/3/01		111.12	25.98	0.12	85.23	--	--	--	--	--	--	--	--	--	--	--
B-12	3/5/02		111.12	26.75	0.07	84.42	--	--	--	--	--	--	--	--	--	--	--
B-12	5/23/02		111.12	26.91	0.07	84.26	--	--	--	--	--	--	--	--	--	--	--
B-12	9/20/02		111.12	26.91	0.13	84.31	--	--	--	--	--	--	--	--	--	--	--
B-12	12/23/02		111.12	26.81	0.09	84.38	--	--	--	--	--	--	--	--	--	--	--
B-12	3/20/03		111.12	26.38	0.03	84.76	--	--	--	--	--	--	--	--	--	--	--
B-12	6/23/03		111.12	24.90	0.08	86.28	71,000	1,900	<60	740	740	85	<100	<20	<20	<20	<600
B-12	9/22/03		111.12	24.60	0.03	86.54	9,000	1,400	<30	590	400	130	110	<20	<20	<20	<600
B-12	11/19/03		111.12	24.77	Sheen	86.35	7,000	1,600	22	600	430	66	<100	<20	<20	<20	<600
B-12	2/23/04		111.12	25.36	0.03	85.78	7,800	2,000	17	610	300	67	<100	<20	<20	<20	<600
B-12	5/24/04		111.12	24.88	0.03	86.26	8,100	1,300	19	590	260	60	<100	<20	<20	<20	<600
B-12	8/23/04		111.12	24.83	0.10	86.37	7,500	1,400	18	540	140	77	<120	<25	<25	<25	<750
B-12	11/22/04		111.12	25.16	0.31	86.19	76	14	<0.3	6.4	1.1	94	<120	<25	<25	<5.0	490
B-12	2/21/05		111.12	22.90	0.09	88.29	10,000	1,400	9.8	650	55	240	330	<20	<20	<20	<600
B-12	5/2/05		111.12	21.41	0.07	89.76	5,800	1,200	<15	700	34	330	310	<25	<25	<25	<750
B-12	8/15/05		111.12	20.22	0.02	90.92	13,000	900	<15	630	37	240	170	<25	<25	<25	<600
B-12	11/15/05		111.12	20.25	0.05	90.91	27,000	1,100	11	610	36	150	120	<5.0	<5.0	<5.0	<150
B-12	2/20/06		111.12	20.94	0.14	90.29	13,000	1,200	<20	940	<40	310	<500	<50	<50	<50	<300
B-12	5/15/06		111.12	20.90	0.15	90.33	9,900	900	<20	680	<40	330	<500	<50	<50	<50	<1500
B-12	9/18/06		111.12	20.18	0.06	90.99	12,000	640	5.2	530	<40	240	450	<25	<25	<25	<750
B-12	12/14/06		111.12	20.38	0.01	90.75	9,700	510	<20	550	35	430	1,100	<25	<25	<25	<1500
B-12	2/6/07		111.12	20.75	0.02	90.39	6,900	770	<20	760	<40	740	1,800	<50	<50	<50	<380
B-12	5/14/07		111.12	22.16	0.01	88.97	7,100	1,800	13	820	77	54	<120	<12	<12	<12	<380
B-12	8/13/07		111.12	21.81	0.01	89.32	16,000	1,400	11	830	36	75	<200	<20	<20	<20	<600
B-12	10/31/07		111.12	22.35	0.00	88.77	8,200	570	4.2	460	<8.0	130	200	<10	<10	<10	<300
B-12	2/14/08		111.12	22.35	0.00	88.77	--	--	--	--	--	--	--	--	--	--	--
B-12	2/15/08		--	--	--	--	9,300	1,700	12	1,200	29	140	490	<12	<12	<12	<380

Table 1
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Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
B-12	5/2/08		111.12	22.01	0.00	89.11	78,000	920	8.6	700	33	73	540	< 12	< 12	< 12	< 380
B-12	8/1/08		111.12	22.80	0.00	88.32	13,000	1,300	< 20	840	48	80	< 500	< 50	< 50	< 50	< 1500
B-12	1/12/08		111.12	22.98	0.00	88.14	16,000	1,000	< 20	320	50	< 50	< 500	< 50	< 50	< 50	< 1500
B-12	1/13/09		111.12	23.22	0.00	87.90											
B-12	1/14/09																
B-12	5/8/09																
B-12	8/17/09		111.12	23.11	0.00	88.01	7,800	770	9.2	270	35	31	< 200	< 20	< 20	< 600	
B-12	11/17/09	GWE corrected for LPH	111.12	23.65	0.00	87.51	17,000	600	5.9	110	18	23	330	< 10	< 10	< 300	
B-12	3/15/10		111.12	24.85	0.04	86.30											
B-12	5/11/10	LPH present	111.12	24.85	0.05	86.31											
B-13	11/20/97	Well screened 18-38 ft bgs; Gauged during LPH recovery activities	112.34	24.85	0.03	86.29											
B-13	3/4/98	Gauged during LPH recovery activities	112.34														
B-13	6/4/98	Gauged during LPH recovery activities	112.34														
B-13	8/5/98	Gauged during LPH recovery activities	112.34														
B-13	11/11/98	Gauged during LPH recovery activities	112.34														
B-13	2/23/99	Gauged during LPH recovery activities	112.34														
B-13	6/15/99	Gauged during LPH recovery activities	112.34														
B-13	9/17/99	Gauged during LPH recovery activities	112.34														
B-13	12/16/99	Gauged during LPH recovery activities	112.34														
B-13	3/21/00		112.34	28.03	0.21	84.47											
B-13	6/23/00		112.34	27.65	0.07	84.74											
B-13	9/14/00		112.34	27.89	0.36	84.72											
B-13	12/6/00	Well connected to SVE system	112.34														
B-13	3/5/01		112.34	27.58	0.28	84.97											
B-13	6/5/01		112.34	25.65	0.24	86.87											
B-13	8/28/01		112.34	25.30	0.05	87.08											
B-13	12/3/01		112.34	25.94	0.09	86.47											
B-13	3/5/02		112.34	27.00	0.50	85.72											
B-13	5/23/02		112.34	27.18	0.46	85.51											
B-13	9/20/02		112.34	26.96	0.01	85.39											
B-13	12/23/02		112.34	26.85	0.02	85.51											
B-13	3/20/03		112.34	26.32	0.01	86.03											
B-13	6/23/03		112.34	24.40	0.01	87.95	13,000	2,600	220	690	980	140	68	< 12	< 12	< 12	< 380
B-13	9/22/03		112.34	24.66	0.14	87.79	6,300	1,000	< 30	380	530	150	43	< 12	< 12	< 12	< 380
B-13	11/19/03		112.34	24.76	0.01	87.59	7,500	1,400	46	470	510	250	85	< 12	< 12	< 12	< 380
B-13	2/23/04		112.34	25.46	0.06	86.93	6,500	1,100	26	440	430	170	< 62	< 12	< 12	< 12	< 380
B-13	5/24/04		112.34	24.84	0.05	87.54	5,900	1,100	21	380	270	310	75	< 12	< 12	< 12	< 380

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CPT-1d	3/20/03		111.30	30.85	0.00	80.45	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	6/23/03		111.30	29.95	0.00	81.35	< 50	1.2	0.99	0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	9/22/03		111.30	29.65	0.00	81.65	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	11/19/03		111.30	29.64	0.00	81.66	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	2/23/04		111.30	29.99	0.00	81.31	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	5/24/04		111.30	29.75	0.00	81.55	< 50	< 0.3	0.85	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	8/23/04		111.30	29.46	0.00	81.84	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	11/22/04		111.30	29.36	0.00	81.94	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	2/21/05		111.30	28.29	0.00	83.01	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	5/2/05		111.30	26.51	0.00	84.79	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	8/15/05		111.30	25.35	0.00	85.95	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	11/15/05		111.30	25.21	0.00	86.09	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	2/20/06		111.30	25.31	0.00	85.99	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	5/15/06	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	9/18/06	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	12/14/06	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	2/5/07	Well gauged annually	111.30	24.85	0.00	86.45	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	5/14/07	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	8/13/07	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	10/31/07	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	2/14/08		111.30	31.20	0.00	80.10	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	2/15/08		---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	5/2/08	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	8/1/08	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	11/20/08	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	1/13/09		111.30	26.74	0.00	84.56	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	5/8/09	Well gauged annually	111.30	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1d	8/17/09	Well gauged annually	111.30	29.27	0.00	82.03	< 50	< 2.0	< 2.0	< 4.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1d	3/15/10		111.30	30.81	0.00	80.57	410	28	1	6	9.4	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	3/7/00	Well screened 31-32 ft bgs	111.38	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1s	6/23/00		111.38	31.70	0.00	79.68	---	---	---	---	---	---	---	---	---	---	---
CPT-1s	6/29/00		---	---	---	---	< 50	< 0.3	< 0.3	< 0.6	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	9/14/00		111.38	30.67	0.00	80.71	830	37	4.2	22	41	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	12/6/00		111.38	30.97	0.00	80.41	---	---	---	---	---	---	---	---	---	---	---
CPT-1s	3/5/01	Obstruction in well	111.38	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CPT-1s	6/5/01		111.38	29.31	0.00	82.07	2,100	37	89	130	350	< 20	< 20	< 20	< 20	< 20	< 150
CPT-1s	8/28/01	Well screened 22-26 ft bgs	111.38	29.36	0.00	82.02	2,600	43	35	250	430	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	12/3/01		111.38	31.20	0.00	80.18	1,800	29	9.3	140	180	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	3/5/02		111.38	30.69	0.00	80.69	2,200	28	8	200	270	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	5/23/02		111.38	31.00	0.00	80.38	1,500	48	7.1	150	320	< 5.0	< 5.0	< 5.0	< 5.0	< 5.0	< 150
CPT-1s	9/20/02		111.38	30.65	0.00	80.73	---	---	---	---	---	---	---	---	---	---	---
CPT-1s	12/23/02	Well was dry (total depth measured at 31.80 feet)	111.38	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
CPT-1s	3/20/03		111.38														
		Well was dry (total depth measured at 31.80 feet)															
CPT-1s	6/23/03		111.38	30.41	0.00	80.97											
CPT-1s	9/22/03		111.38	29.87	0.00	81.71	1.2	0.79	12	5.0	1.5	5.0	25	5.0	5.0	5.0	150
CPT-1s	11/19/03		111.38	30.24	0.00	81.14	1.8	0.48	6.3	5.0	1.8	5.0	25	5.0	5.0	5.0	150
CPT-1s	2/23/04		111.38	30.17	0.00	81.21	2.5	0.3	3	5.0	0.6	5.0	25	5.0	5.0	5.0	150
CPT-1s	5/24/04		111.38	29.78	0.00	81.60	0.88	2.4	0.54	5.0	0.8	5.0	25	5.0	5.0	5.0	150
CPT-1s	8/23/04		111.38	29.01	0.00	82.37	0.64	1.8	1.4	5.0	1	5.0	25	5.0	5.0	5.0	150
CPT-1s	11/22/04		111.38	29.02	0.00	82.36	1.8	1.8	13	5.0	4.3	5.0	25	5.0	5.0	5.0	150
CPT-1s	2/21/05		111.38	28.06	0.00	83.32	<2.0	2.0	7.2	5.0	4.0	5.0	25	5.0	5.0	5.0	150
CPT-1s	5/2/05		111.38	25.98	0.00	85.40	1.9	0.42	0.68	5.0	0.6	5.0	25	5.0	5.0	5.0	150
CPT-1s	8/15/05		111.38	24.98	0.00	86.40	<0.3	<0.3	0.45	5.0	0.61	5.0	25	5.0	5.0	5.0	150
CPT-1s	11/15/05		111.38	24.51	0.00	86.87	91	<2.0	<2.0	5.0	4.0	5.0	25	5.0	5.0	5.0	150
CPT-1s	2/20/06		111.38	24.85	0.00	86.53	<2.0	<2.0	<2.0	5.0	4.0	5.0	25	5.0	5.0	5.0	150
CPT-1s	5/15/06	Well gauged annually	111.38														
CPT-1s	9/18/06	Well gauged annually	111.38														
CPT-1s	12/14/06	Well gauged annually	111.38														
CPT-1s	2/5/07		111.38	24.83	0.00	86.75	<2.0	<2.0	<2.0	5.0	4.0	5.0	25	5.0	5.0	5.0	150
CPT-1s	5/14/07	Well gauged annually	111.38														
CPT-1s	8/13/07	Well gauged annually	111.38														
CPT-1s	10/31/07	Well gauged annually	111.38														
CPT-1s	2/14/08		111.38	25.88	0.00	85.70											
CPT-1s	2/15/08						53	<2.0	<2.0	3.2	4.0	5.0	25	5.0	5.0	5.0	150
CPT-1s	5/2/08	Well gauged annually	111.38														
CPT-1s	8/1/08	Well gauged annually	111.38														
CPT-1s	11/20/08	Well gauged annually	111.38														
CPT-1s	1/13/09	Well gauged annually	111.38	27.20	0.00	84.18											
CPT-1s	5/8/09	Well gauged annually	111.38				<5.0	<2.0	<2.0	<2.0	<4.0	5.0	25	5.0	5.0	5.0	150
CPT-1s	8/17/09	Well gauged annually	111.38														
CPT-1s	3/15/10		111.38	29.88	0.00	81.50	<2.0	<2.0	<2.0	<2.0	<4.0	5.0	25	5.0	5.0	5.0	150
CPT-4d	3/7/00	Well screened 37-38 ft bgs	112.03	30.60	0.00	81.43	<5.0	<0.3	0.81	<0.3	<0.6	19	100	5.0	<5.0	<5.0	150
CPT-4d	6/23/00		112.03	30.61	0.00	81.42											
CPT-4d	6/29/00						<5.0	<0.3	0.4	<0.3	0.61	5.0	25	5.0	5.0	5.0	150
CPT-4d	9/14/00		112.03	31.17	0.00	80.86	<5.0	<0.3	<0.3	<0.3	<0.6	7.3	50	5.0	5.0	5.0	150
CPT-4d	12/6/00		112.03	31.64	0.00	80.39	<5.0	<0.3	<0.3	<0.3	<0.6	6.1	50	5.0	5.0	5.0	150
CPT-4d	3/5/01		112.03	31.09	0.00	80.94	<5.0	<0.3	<0.3	<0.3	<0.6	<5.0	50	5.0	5.0	5.0	150
CPT-4d	6/5/01		112.03	29.92	0.00	82.11	<5.0	<0.3	<0.3	<0.3	<0.6	40	50	5.0	5.0	5.0	150
CPT-4d	8/28/01		112.03	29.93	0.00	82.10	<5.0	<0.3	<0.3	<0.3	<0.6	19	50	5.0	5.0	5.0	150
CPT-4d	12/3/01		112.03	30.45	0.00	81.58	<5.0	<0.3	<0.3	<0.3	<0.6	15	50	5.0	5.0	5.0	150
CPT-4d	3/5/02		112.03	31.15	0.00	80.88	<5.0	<0.3	<0.3	<0.3	<0.6	5.4	50	5.0	5.0	5.0	150
CPT-4d	5/23/02		112.03	31.05	0.00	80.98	<5.0	<0.3	<0.3	<0.3	<0.6	12	50	5.0	5.0	5.0	150
CPT-4d	9/20/02		112.03	31.31	0.00	80.72	<5.0	<0.3	<0.3	<0.3	<0.6	15	50	5.0	5.0	5.0	150
CPT-4d	12/23/02		112.03	31.30	0.00	80.73	<5.0	<0.3	<0.3	<0.3	<0.6	<5.0	50	5.0	5.0	5.0	150
CPT-4d	3/20/03		112.03	31.07	0.00	80.96	<5.0	<0.3	<0.3	<0.3	<0.6	<5.0	50	5.0	5.0	5.0	150
CPT-4d	6/23/03		112.03	29.98	0.00	82.05	<5.0	<0.3	<0.3	<0.3	<0.6	140	100	5.0	5.0	5.0	150
CPT-4d	9/22/03		112.03	29.84	0.00	82.19	<5.0	<0.3	<0.3	<0.3	<0.6	28	50	5.0	5.0	5.0	150

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
Trip Blank	2/23/99						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 10					
Trip Blank	6/15/99						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 10					
Trip Blank	9/17/99						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5					
Trip Blank	12/16/99						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5					
Trip Blank	3/21/00						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5					
Trip Blank	6/23/00						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5					
Trip Blank	9/14/00						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5					
Trip Blank	12/6/00						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	3/5/01						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	6/5/01						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	8/28/01						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	12/3/01						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	3/5/02						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	5/23/02						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	9/20/02						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	12/23/02						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	3/20/03						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	6/23/03						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	9/22/03						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	11/19/03						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	2/23/04						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	5/24/04						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	8/23/04						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	11/22/04						< 50	< 0.3	< 0.3	< 0.3	< 0.6	< 5	< 5.0				< 5.0
Trip Blank	2/21/05						< 50	< 0.3	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	5/2/05						< 50	< 0.3	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	8/15/05						< 50	< 0.3	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	11/15/05						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	2/20/06						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	5/15/06						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	9/18/06						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	12/15/06						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	2/6/07						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	5/14/07						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	8/13/07						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	10/31/07						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	2/14/08						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	2/15/08						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	5/2/08						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	1/13/09						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	12/11/09							< 0.50	< 1.0	< 1.0							
Trip Blank	2/8/10						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	4/12/10						< 50	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0
Trip Blank	5/3/10						Table 2	< 2.0	< 2.0	< 2.0	< 4.0	< 5.0	< 25				< 5.0

Table 1
Historical Groundwater Elevation and Analytical Data

Former ARCO Facility No. 5202
12502 Harbor Boulevard
Garden Grove, California

Well ID	Date	Notes	TOC Elevation (ft msl)	Depth to Water (ft)	Measured LPH Thickness (ft)	Groundwater Elevation (ft msl)	GRO ug/L	Benzene ug/L	Toluene ug/L	Ethylbenzene ug/L	Xylenes ug/L	MTBE ug/L	TBA ug/L	DIPE ug/L	ETBE ug/L	TAME ug/L	Ethanol ug/L
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Historical Groundwater Elevation and Analytical Data

Notes:
 ft - feet
 msl - mean sea level
 TOC - top of casing
 ug/L - micrograms per liter
 LPH = Liquid Phase Hydrocarbons
 < - not detected above the laboratory detection limit
 LM, AY = MS and/or MSD above acceptance limits due to sample matrix interference.
 When LPH is present, Elevation = (TOC elevation - DTW) + (0.75 x LPH thickness)

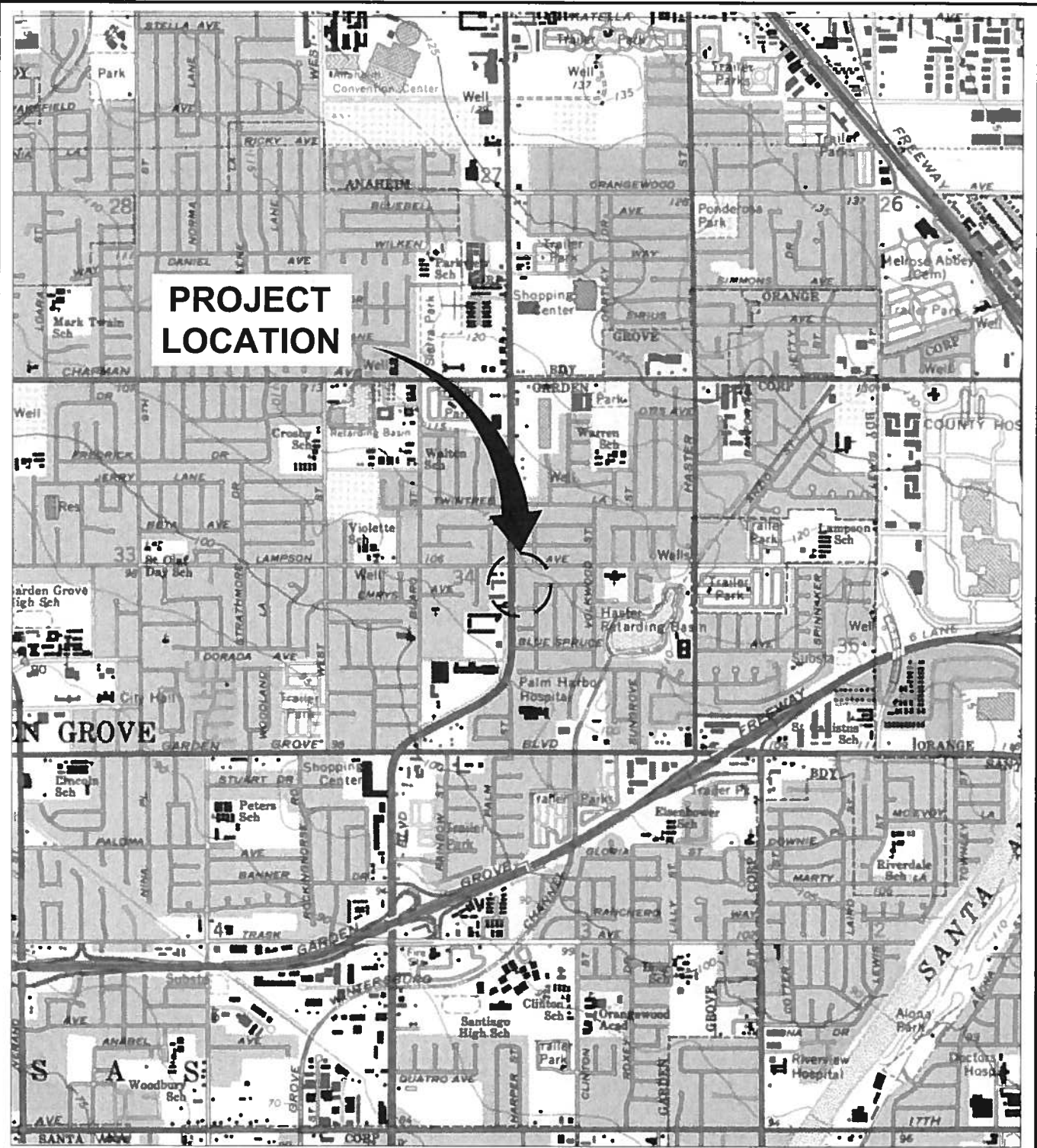
GRO - gasoline range organics
 MTBE - methyl tert butyl ether
 DIPE - di-isopropyl ether
 ETBE - ethyl tert butyl ether
 TAME - tert amyl methyl ether
 TBA - tert butanol

Former ARCO Facility No. 5202
 12502 Harbor Boulevard
 Garden Grove, California

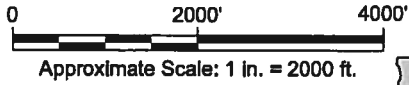
ARCADIS

Figures

CITY FULLERTON, CA DIVGROUP ENV LD R: HUBBATCH PIC S: GLENN PM R: ANDRESEN TM G: FRANCE LVR (DWG) OFF=REF-
 G: ENVCAD\Filler\ACT\G99\BPNAC\6580000\REPORTS\QUARTERLY\2010\DWG\G99\BPNAC\6580000-01.dwg LAYOUT 15AVED: 6/16/2010 2:59 PM ACADVER: 17.05 (LMS TECH) PAGESETUP: SETUP\PILOT\STYLETABLE.ARCADIS.CTB PLOTTED: 6/16/2010 3:00 PM BY: HUBBATCH, RICK



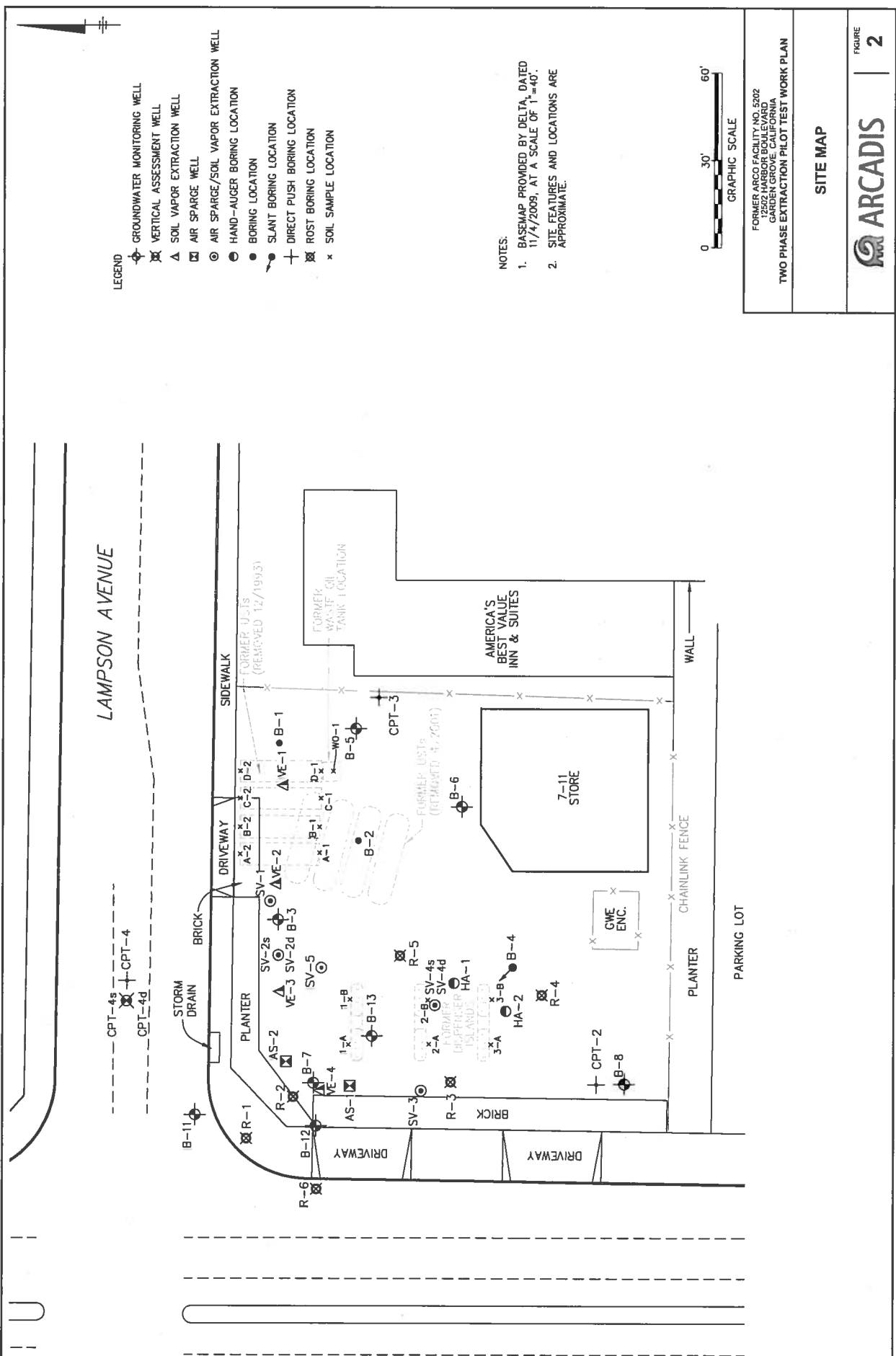
REFERENCE: BASE MAP USGS 7.5 MIN. TOPO. QUAD., ANAHEIM, CALIFORNIA, 1965, PHOTOREVISED 1981.



BP WEST COAST PRODUCTS, LLC
 FORMER ARCO FACILITY NO. 5202
 12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA
TWO PHASE EXTRACTION PILOT TEST WORK PLAN

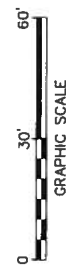
SITE LOCATION MAP

	<p>FIGURE 1</p>
--	----------------------------



- LEGEND
- ◆ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - HAND-AUGER BORING LOCATION
 - BORING LOCATION
 - SLANT BORING LOCATION
 - ⊕ DIRECT PUSH BORING LOCATION
 - ⊗ ROST BORING LOCATION
 - × SOIL SAMPLE LOCATION

- NOTES:
1. BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.
 2. SITE FEATURES AND LOCATIONS ARE APPROXIMATE.



FORMER ARCO FACILITY NO. 5202
 12502 HARBOR BOULEVARD
 GARDEN GROVE, CALIFORNIA

TWO PHASE EXTRACTION PILOT TEST WORK PLAN

SITE MAP

ARCADIS

FIGURE 2

LEGEND

- ⊕ GROUNDWATER MONITORING WELL
- ⊗ VERTICAL ASSESSMENT WELL
- △ SOIL VAPOR EXTRACTION WELL
- ⊠ AIR SPARGE WELL
- ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
- 82.00— GROUNDWATER ELEVATION CONTOUR IN FEET ABOVE MEAN SEA LEVEL (FT AMSL) CONTOUR INTERVAL: 1.0 FOOT
- (82.22) GROUNDWATER ELEVATION (FT AMSL)
- (NG) NOT GAUGED
- (LPH) LIQUID PHASE HYDROCARBONS
- ←0.018 FT/FT GROUNDWATER FLOW DIRECTION AND GRADIENT (FT/FT)
- * GROUNDWATER ELEVATION NOT USED TO CALCULATE GROUNDWATER FLOW DIRECTION BECAUSE MONITORING WELL IS SHALLOW AND SCREENS ARE INCONSISTENT WITH THE SCREEN INTERVALS IN THE OTHER MONITORING WELLS
- ** GROUNDWATER ELEVATION NOT USED TO CALCULATE GROUNDWATER FLOW DIRECTION BECAUSE MONITORING WELL IS CONNECTED TO GROUNDWATER EXTRACTION SYSTEM.

BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.

NOTE:

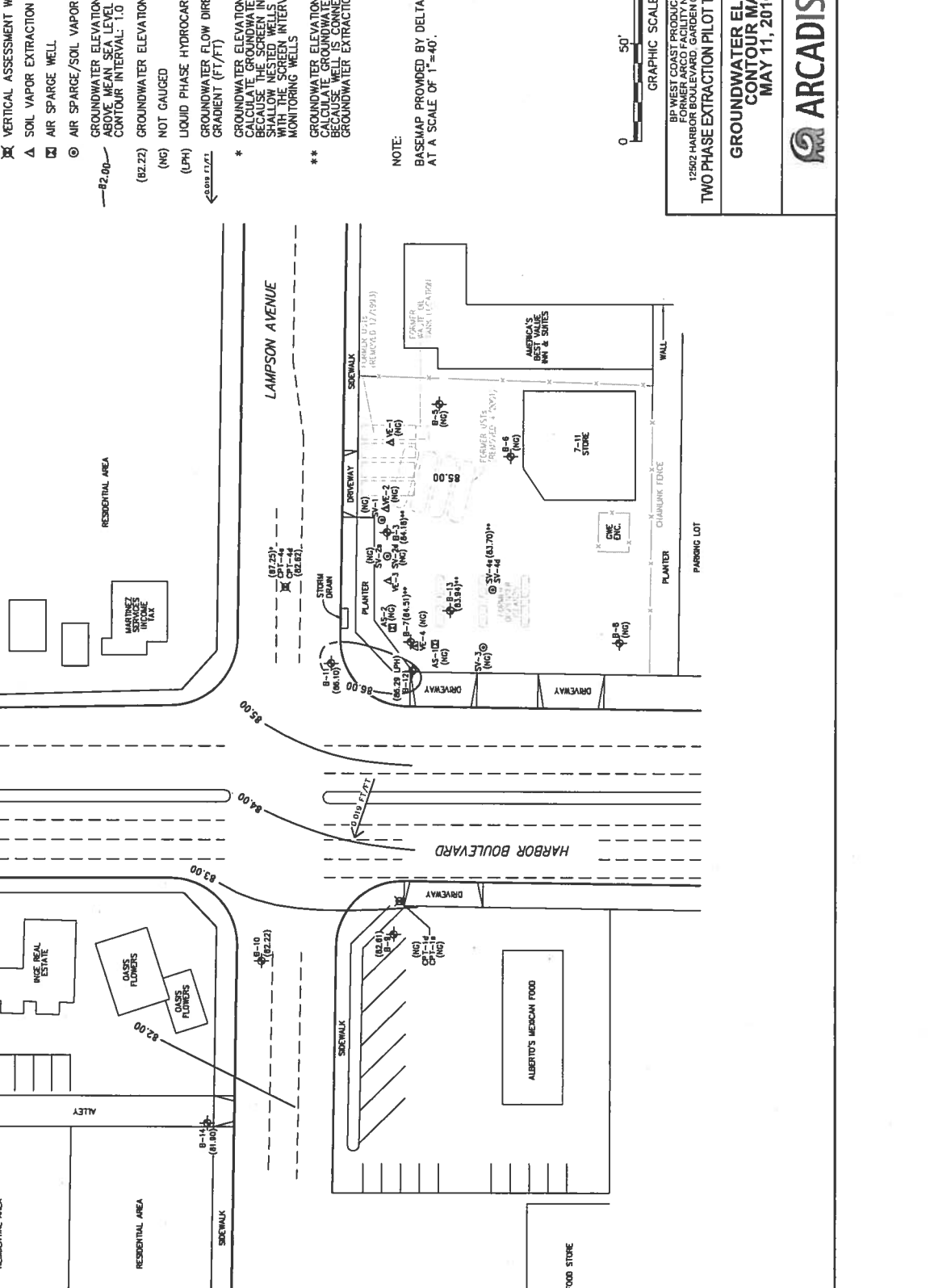
GRAPHIC SCALE
0 50' 100'

BP WEST COAST PRODUCTS, LLC
FORMER ARCO FACILITY NO. 5002
12502 HARBOUR BOULEVARD, GARDEN GROVE, CALIFORNIA

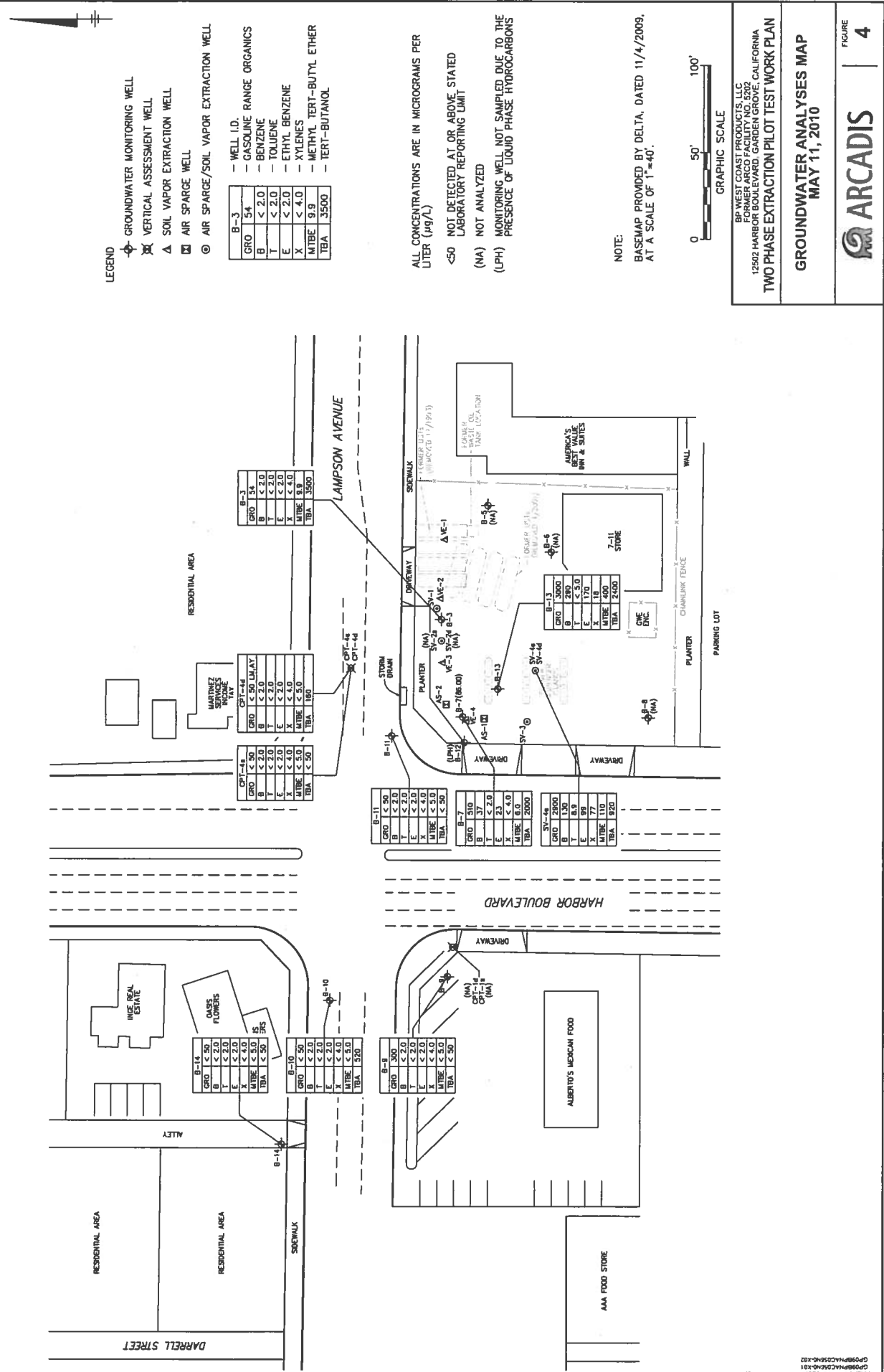
GROUNDWATER ELEVATION
CONTOUR MAP
MAY 11, 2010

ARCADIS

FIGURE 3



CITY OF BAY AREA, CA DIVISION ENVIRONMENTAL SERVICES DIVISION - PROJECT TITLE: TWO PHASE EXTRACTION PILOT TEST WORK PLAN. FIGURE 3



LEGEND

- ⊕ GROUNDWATER MONITORING WELL
- ⊗ VERTICAL ASSESSMENT WELL
- △ SOIL VAPOR EXTRACTION WELL
- ⊠ AIR SPARGE WELL
- ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL

WELL I.D.	
B-3	54
B	< 2.0
T	< 2.0
E	< 2.0
X	< 4.0
MTBE	9.9
TBA	3500

ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (µg/L)

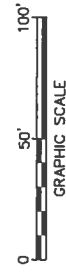
<50 NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT

(NA) NOT ANALYZED

(LPH) MONITORING WELL NOT SAMPLED DUE TO THE PRESENCE OF LIQUID PHASE HYDROCARBONS

NOTE:

BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.



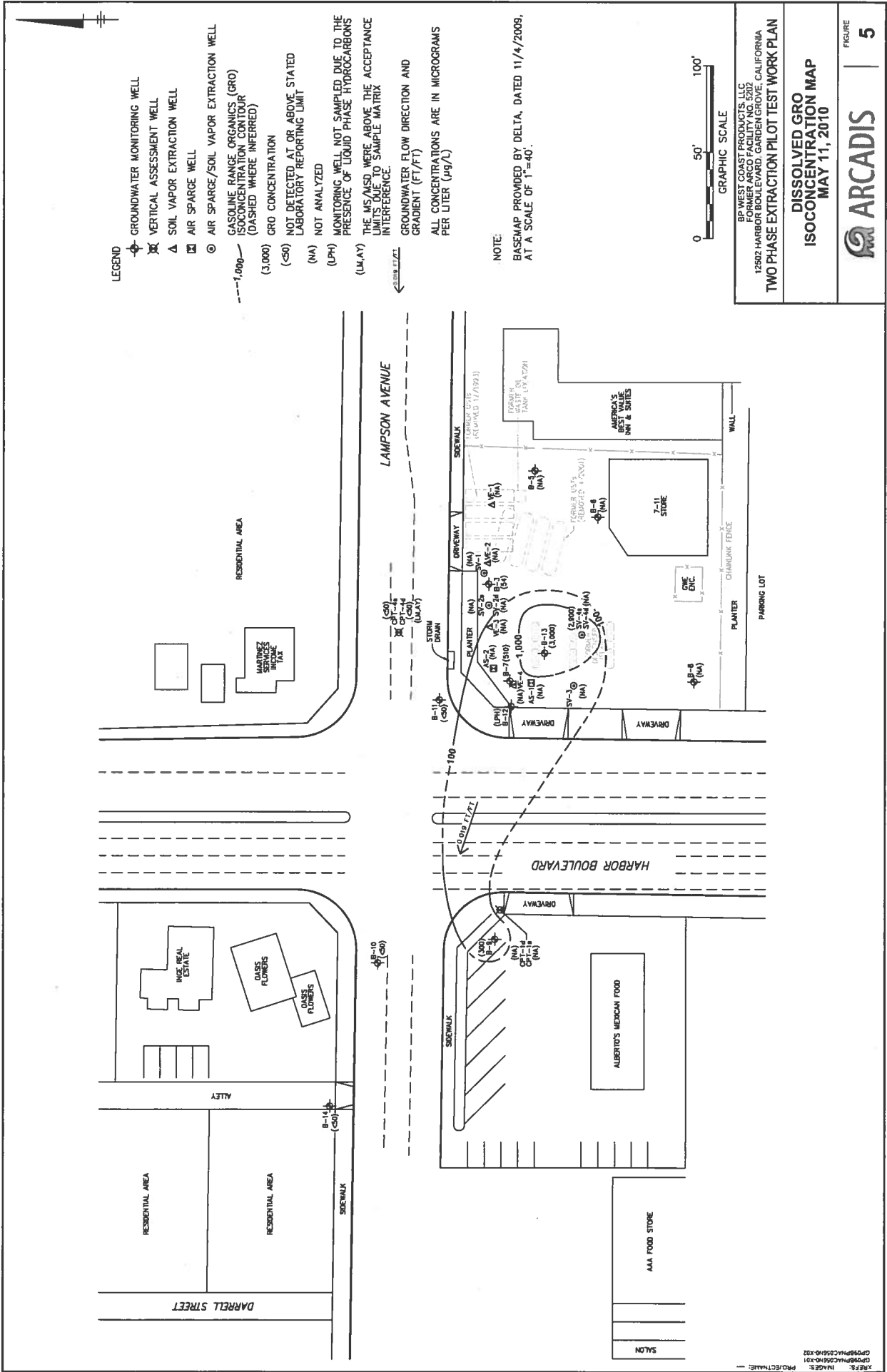
BP WEST COAST PRODUCTS, LLC
 FORMER ARCO FACILITY, 5300
 12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA

TWO PHASE EXTRACTION PILOT TEST WORK PLAN

GROUNDWATER ANALYSES MAP
 MAY 11, 2010

ARCADIS

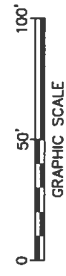
FIGURE **4**



- LEGEND**
- ⊕ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 1,000--- GASOLINE RANGE ORGANICS (GRO) ISOCENTRATION CONTOUR (DASHED WHERE INFERRD)
 - (3,000) GRO CONCENTRATION
 - (<50) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
 - (LPH) MONITORING WELL NOT SAMPLED DUE TO THE PRESENCE OF LIQUID PHASE HYDROCARBONS
 - (LMA) THE MS/MSD WERE ABOVE THE ACCEPTANCE LIMITS AS DUE TO SAMPLE MATRIX INTERFERENCE.

GROUNDWATER FLOW DIRECTION AND GRADIENT (FT/FT)
 ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (µg/L)

NOTE:
 BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.



BP WEST COAST PRODUCTS, LLC
 FORMER ARCO FACILITY NO. 5202
 12502 HARBOUR BOULEVARD, GARDEN GROVE, CALIFORNIA

TWO PHASE EXTRACTION PILOT TEST WORK PLAN

DISSOLVED GRO ISOCENTRATION MAP
 MAY 11, 2010

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FIGURE | **5**

- LEGEND**
- ⊕ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 10--- BENZENE ISOCONCENTRATION CONTOUR (DASHED WHERE INFERRED)
 - (290) BENZENE CONCENTRATION
 - (<2.0) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
 - (UPH) MONITORING WELL NOT SAMPLED DUE TO THE PRESENCE OF LIQUID PHASE HYDROCARBONS
 - ← GROUNDWATER FLOW DIRECTION AND GRADIENT (FT/FT)
 - ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (μg/L)

NOTE:
BASEMAP PROVIDED BY DELTA, DATED 11/4/2009, AT A SCALE OF 1"=40'.



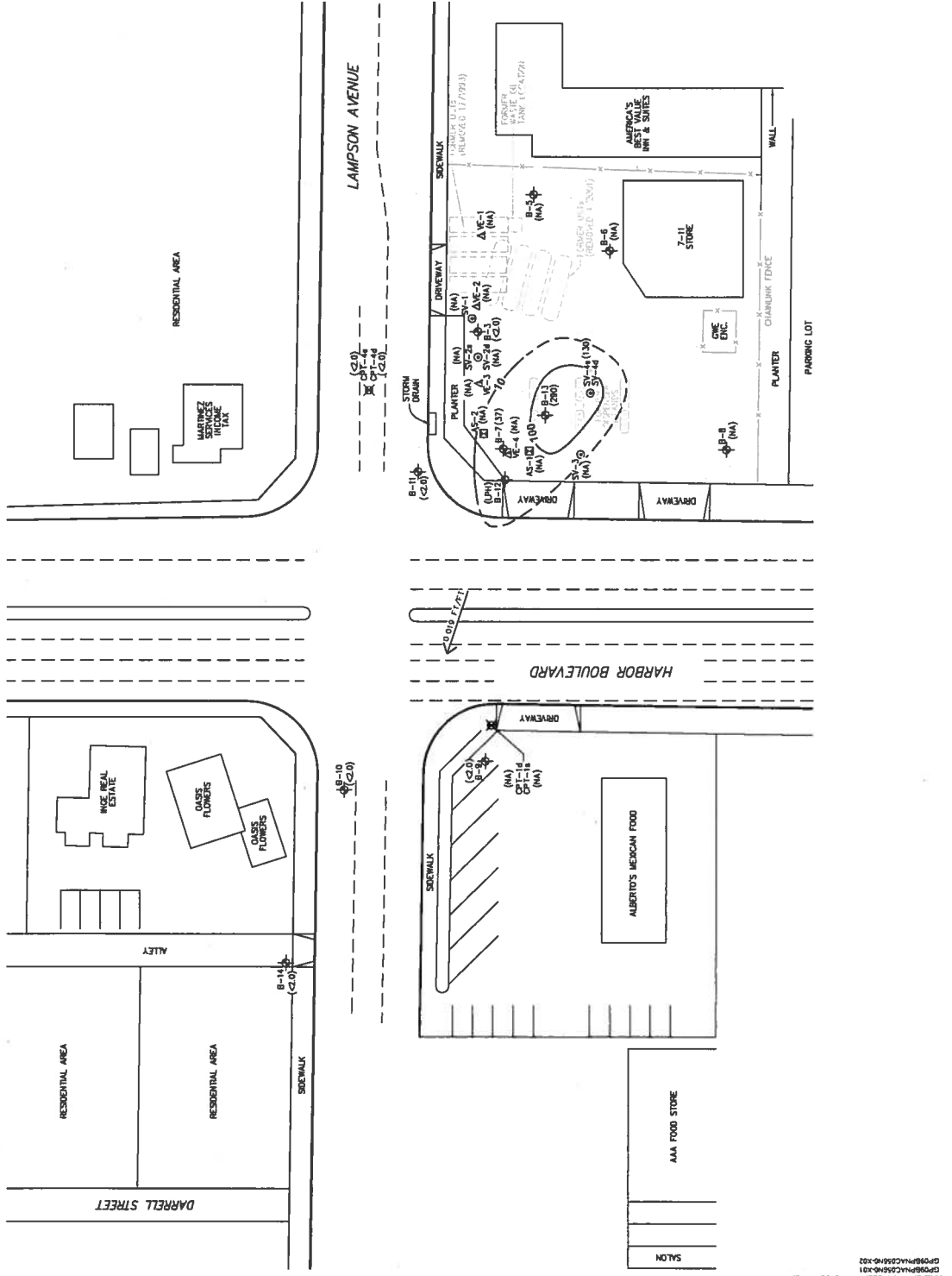
BP WEST COAST PRODUCTS, LLC
FORMER ARCO FACILITY NO. 5202
12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA

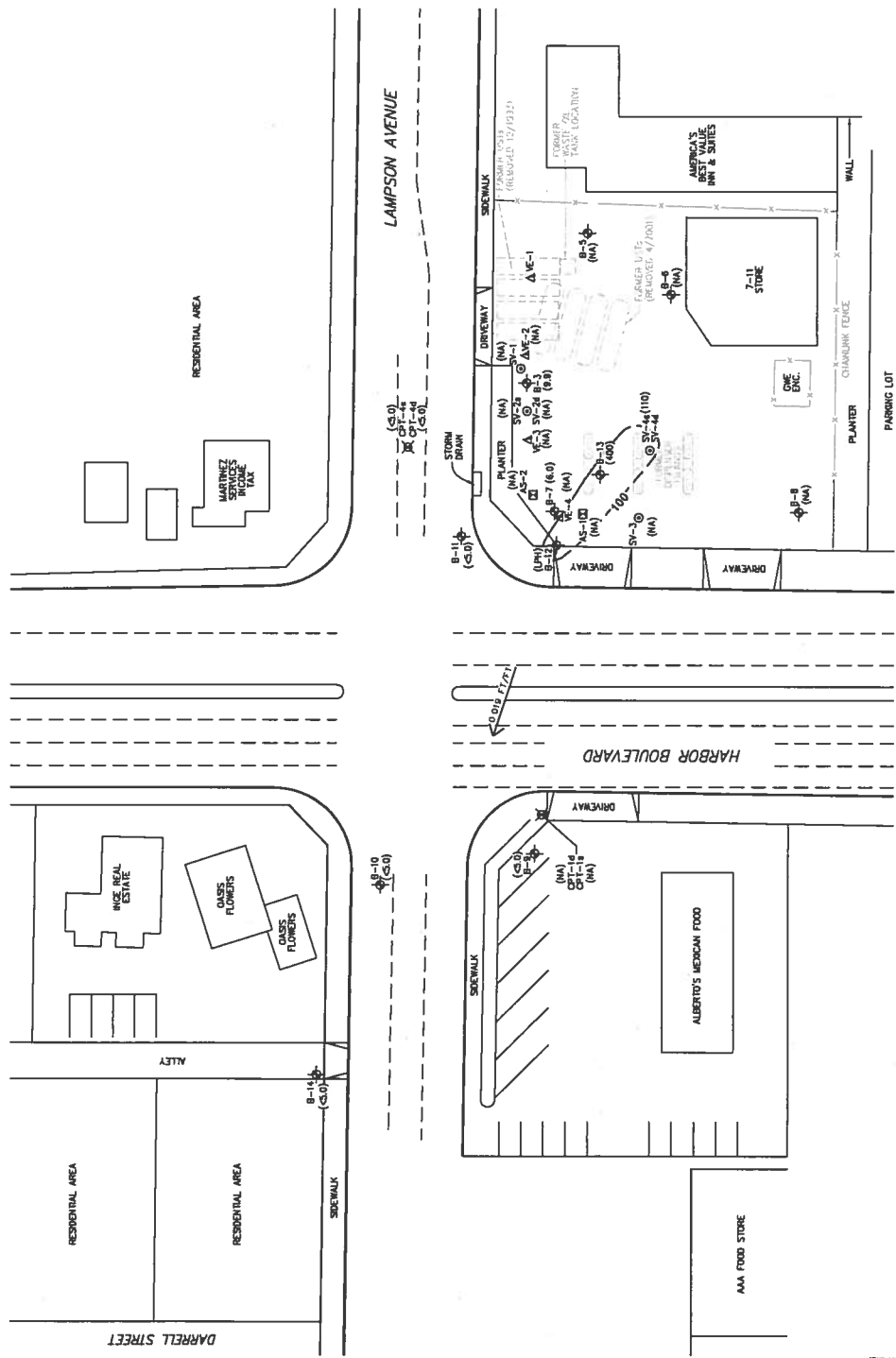
TWO PHASE EXTRACTION PILOT TEST WORK PLAN

DISSOLVED BENZENE ISOCONCENTRATION MAP
MAY 11, 2010

ARCADIS

FIGURE **6**





- LEGEND**
- ⊕ GROUNDWATER MONITORING WELL
 - ⊗ VERTICAL ASSESSMENT WELL
 - △ SOIL VAPOR EXTRACTION WELL
 - ⊠ AIR SPARGE WELL
 - ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL
 - 10--- METHYL TERT-BUTYL ETHER (MTBE) ISOCONCENTRATION CONTOUR (DASHED WHERE INFERRED)
 - (400) MTBE CONCENTRATION
 - (<5.0) NOT DETECTED AT OR ABOVE STATED LABORATORY REPORTING LIMIT
 - (NA) NOT ANALYZED
 - (LPH) MONITORING WELL NOT SAMPLED DUE TO THE PRESENCE OF LIQUID PHASE HYDROCARBONS
 - ← GROUNDWATER FLOW DIRECTION AND GRADIENT (FT/FT)
 - ALL CONCENTRATIONS ARE IN MICROGRAMS PER LITER (μg/L)

NOTE:
 BASEMAP PROVIDED BY DELTA, DATED 11/4/2009,
 AT A SCALE OF 1"=40.



BIP NEST CONSULTING SERVICES, LLC
 FORMER ARCS FACILITY, 5300
 12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA
TWO PHASE EXTRACTION PILOT TEST WORK PLAN
DISSOLVED MTBE
ISOCONCENTRATION MAP
MAY 11, 2010
ARCADIS
 FIGURE | **7**

LEGEND

- ◊ GROUNDWATER MONITORING WELL
- ⊠ VERTICAL ASSESSMENT WELL
- △ SOIL VAPOR EXTRACTION WELL
- ⊠ AIR SPARGE WELL
- ⊙ AIR SPARGE/SOIL VAPOR EXTRACTION WELL

---100---
(2,000)
TERT-BUTANOL (TBA) ISOCONCENTRATION
CONTOUR (DASHED WHERE INFERRED)

<50
(<50)
TBA CONCENTRATION
NOT DETECTED AT OR ABOVE STATED
LABORATORY REPORTING LIMIT

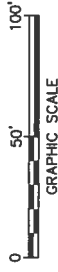
(NA)
(NA)
NOT ANALYZED

⊠ (PH)
MONITORING WELL NOT SAMPLED DUE TO THE
PRESENCE OF LIQUID PHASE HYDROCARBONS

←0.033 FT/FT
GROUNDWATER FLOW DIRECTION AND
GRADIENT (FT/FT)

ALL CONCENTRATIONS ARE IN MICROGRAMS
PER LITER (µg/L)

NOTE:
BASEMAP PROVIDED BY DELTA, DATED 11/4/2009,
AT A SCALE OF 1"=40'.

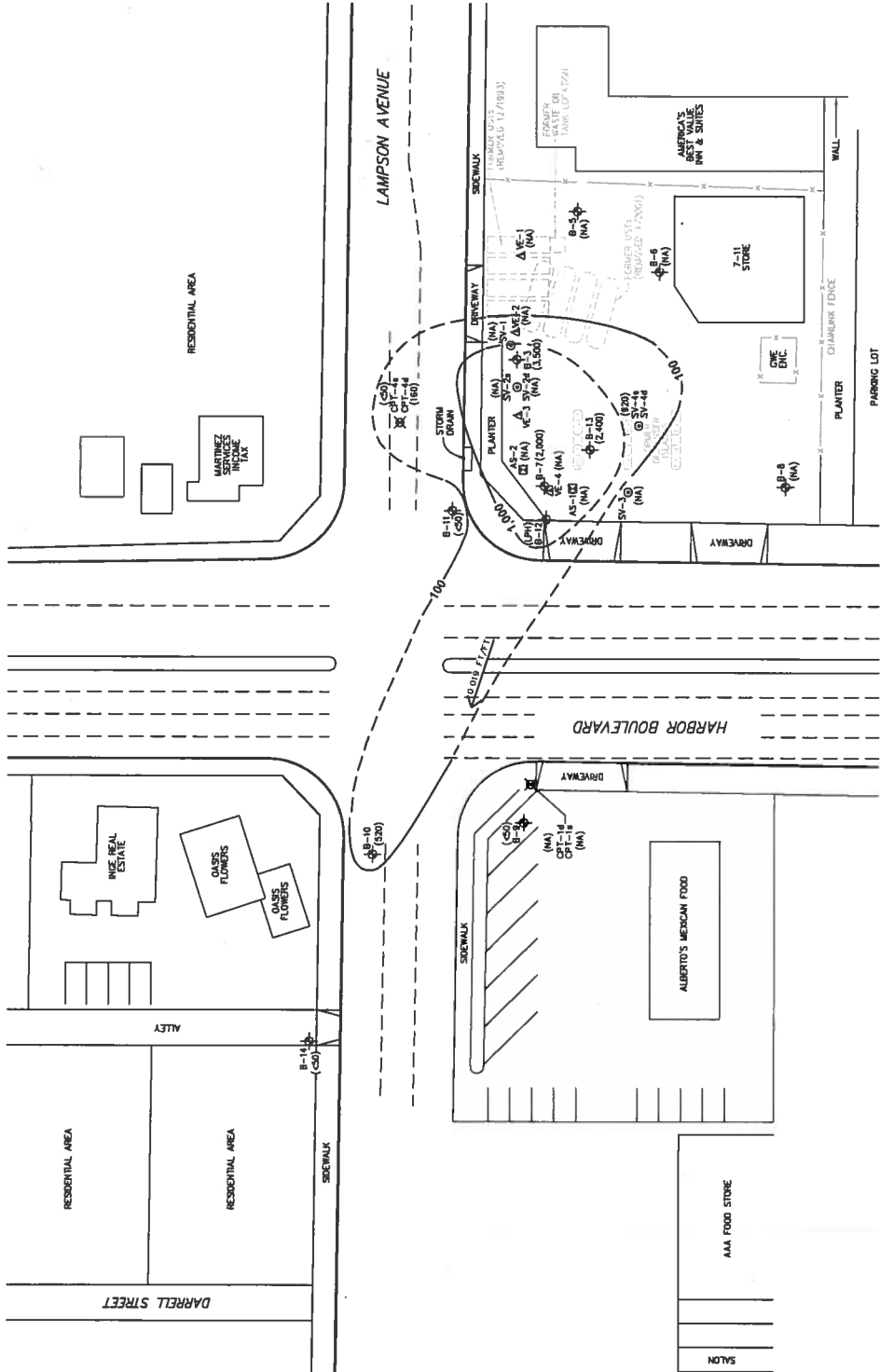


BY WEST COAST PRODUCTS, LLC
FORMER ARGO FACILITY NO. 5202
12502 HARBOR BOULEVARD, GARDEN GROVE, CALIFORNIA

**DISSOLVED TBA
ISOCONCENTRATION MAP
MAY 11, 2010**

ARCADIS

FIGURE
8



CITY: PETAUMA, CA DIVISION: ENV DR: HARRIS LD- PROJECT: MAGE3
DATE: 05/11/2010 10:23 AM
PROJECT: MAGE3
PROJECT NAME: 12502 HARBOR BOULEVARD, GARDEN GROVE, CA
DRAWING: ARCADIS 20100511.DWG
LAYOUT: 7 SAVER 8 23010 122
ACQ: JEFFREY LYNCH
PROJECT: MAGE3
PROJECT: MAGE3
PROJECT: MAGE3

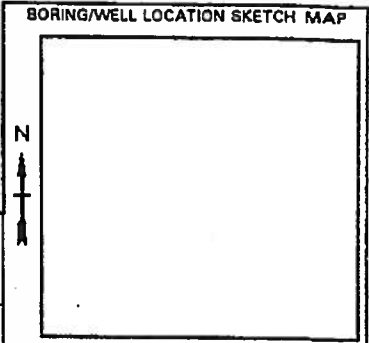
ARCADIS

Appendix A

Boring Log for Monitoring Well B-12



WELL CONSTRUCTION LOG



BORING/WELL NO. B-12		PROJECT NO./NAME L093-602-P/ARCO Facility No. 5202		LOCATION 12502 Harbor Boulevard Garden Grove, California	
DRILLING CONTRACTOR/DRILLER Cascade Inc./Mark		GEOLOGIST/OFFICE Karen Witbaard/Orange County		APPROVED BY	
DRILLING EQUIPMENT/METHOD Limited Access Rig/Hollow Stem Auger		SIZE/TYPE OF BIT 8" Soil Teeth	SAMPLING METHOD CAM	START/FINISH DATE 9/30/97-9/30/97	
WELL INSTALLED? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	CASING MAT./DIA. Sch 40/2"	SCREEN: TYPE Slotted MAT. Sch 40 LENGTH 20' DIA. 2" SLOT SIZE 0.02"		ELEVATION OF: GROUND SURFACE TOP OF WELL CASING TOP & BOTTOM SCREEN GW SURFACE DATE	
(FT. ABOVE M.S.L.)					

WELL CONSTRUCTION		LITHOLOGY		SAMPLING DATA	
Depth, feet	Graphic Log	Visual Description	Penetration Rate (Blows/ft.)	Sample No. and Interval	PID Values (ppm)
0	Steel Well Box, Locking Well Cap, CEMENT	CONCRETE			
5		SAND (SP); light brown, medium grained with fine-grained sand, few coarse-grained sand, moist			
8		SANDY SILT (ML); gray/brown, 60% silt, 40% fine-grained sand, micaceous, nonplastic	28	B-12-7	0
10	Hydrated Bentonite Pellets	Reddish-brown, 35% fine-grained sand, micaceous, nonplastic, moist	24	B-12-10	0
15	2" Dia. Sch 40 Blank PVC Casing	SAND (SP); gray, fine-grained sand, trace medium-grained sand, moist	26	B-12-16	0
20		SILTY SAND (SM); gray/brown, fine-grained sand, 30 to 40% silt, moist	23	B-12-20	13
25	#3 Monterey Sand	SANDY SILT (ML); gray/brown, 30 to 40% fine-grained sand, micaceous, nonplastic, very moist	30	B-12-25	460
30	Groundwater Level 9/30/97	SAND (SP); dark gray, fine-grained sand with some medium-grained sand, 10% silt, wet	32	B-12-30	412
35	Sch 40 PVC 0.02" Slot	SILTY SAND (SM); gray, fine-grained sand, 20% silt	27	B-12-35	316
40	Cap	SANDY SILT (ML); dark brown, approximately 20% fine-grained sand, trace clay, slightly plastic, moist to wet	20	B-12-40	22

93602 DLTW 11/24/97

Boring terminated at 40 feet below ground surface (bgs). Groundwater encountered at 28 feet bgs.

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Appendix B

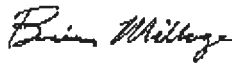
ARCADIS Standard Operating
Procedure

**SOP: Soil Vapor Extraction
and Treatment System
Sampling**

Rev. #: 1

Rev Date: February 19, 2010

Approval Signatures

Prepared by:  Date: February 19, 2010
Brian Millage
Staff Scientist

Reviewed by:  Date: February 19, 2010
Chris Lutes
Technical Review

Reviewed by: _____ Date: February 19, 2010
Quentin Moore
Project Engineer/ Certified Project Manager

I. Scope and Application

This standard operating procedure (SOP) describes the procedures to collect treatment system air samples using a 6-liter, stainless steel SUMMA® canister. The presence of volatile organic compounds (VOCs) will be analyzed by United States Environmental Protection Agency (USEPA) Method TO-14A (TO-14A) and USEPA Method 25C (25C) for total gaseous non-methane organic compounds (TGNMO) to satisfy permit conditions and provide baseline data for destruction efficiency calculations. In addition, all vapor samples collected quarterly will be submitted to the laboratory for the analysis of oxygen, carbon monoxide, carbon dioxide and methane in accordance with the American Society for Testing and Materials (ASTM) method D1946.

Sample collection discussed in this SOP is consistent with the standard TO-14A collection method. Both the TO-14A and 25C analysis will be performed from the same canister. The following sections list the necessary equipment and detailed instructions for collecting the treatment system samples.

II. Personnel Qualifications

ARCADIS field sampling personnel will have current health and safety training, including 40-hour HAZWOPER training, DOT/IATA Hazardous Materials training, site supervisor training, site-specific training, first aid, and cardiopulmonary resuscitation (CPR), as needed. ARCADIS field sampling personnel will be well versed in the relevant SOPs and possess the required skills and experience necessary to successfully complete the desired field work. ARCADIS personnel responsible for leading treatment system air sample collection activities must have previous treatment system air sampling experience or be cross-trained by experienced personnel.

III. Equipment List

The equipment required for ambient air sample collection is presented below:

- 6-liter, stainless steel SUMMA® canisters (LAB SUPPLIED - order at least one extra if feasible);
- ¼" stainless steel Swagelok™ fittings for canisters
- Vacuum gauge capable of -30" Hg;
- ¼" Teflon tubing, tees and 3-way valves to purge sample train

- Peristaltic purge pump with required silicon tubing;
- MultiRAE™ Plus PID or equivalent (calibrated);
- Non fixed-open-blade-knife (FOBK) cutting tool for tubing;
- Appropriate-sized open-end wrench and kneeling pad;
- Chain-of-custody (COC) form and sample label tags;
- Field notebook, pens and camera;
- Sample collection log;
- Table or adequate surface to place and secure canisters
- Safety gear including eye, hand and heat protective PPE

IV. Cautions

Care must be taken to minimize the potential for introducing interferences during the sampling event such as any source pollutants or biological debris. Care must also be taken to keep the canister secured in place while collecting the sample. Sampling personnel should not handle hazardous substances (such as gasoline), permanent marking pens, wear/apply fragrances, or smoke cigarettes/cigars before and/or during the sampling event.

Sample integrity is maintained if some vacuum is present in the canister, but sample integrity can be compromised if the event is extended to the point that the canister reaches atmospheric pressure. The treatment system will be operational for a minimum of one hour before the collection of any treatment system samples.

A Shipping Determination must be performed, by DOT-trained personnel, for all environmental and geotechnical samples that are to be shipped, as well as some types of environmental equipment/supplies that are transported. Use laboratory courier to transport samples if there is any doubt regarding shipping methods.

V. Health and Safety Considerations

Field sampling equipment must be carefully handled to minimize the potential for injury and the spread of hazardous substances. Plan safe access routes if sampling points are near powered, heated or elevated equipment. Use a spotter when necessary.

VI. Sampling Procedure

SUMMA® Canister Sampling Train Setup

- The canister valve assembly can be directly leak tested by connecting the pressure gauge and sampling valve directly to the sample tank. Remove the brass dust cap from the SUMMA® canister. Check that the vacuum gauge is zeroed properly. Connect the vacuum gauge, open canister valve slightly and observe vacuum. The vacuum should be the same as the reported value supplied by the laboratory, approximately -29" Hg. Verify canister Identification, record results and allow the canister to sit for one minute. The leak check for the tank is acceptable if no vacuum change is noted. If the canister leaks, notify the laboratory and remove the canister from use.
- Prepare sampling equipment and sample train assembly on plastic sheeting or table to limit potential debris from entering the sample train or equipment.
- To incorporate the canister as part of the sample train, remove vacuum gauge and install a barb to the SUMMA® canister with the appropriate wrench. Tighten with fingers first, then gently with the wrench.
- Using Teflon tubing, place a 3-way valve in line from the sample port (source gas) to the canister and tubing from the remaining barb to a peristaltic purge pump. Install a tee downstream of the purge pump for PID screening and attach a length of tubing to the remaining barb open to the atmosphere for discharge gas. For safety, keep this length of tubing away from the breathing zone or from powered equipment.
- With the sample train now in place, evacuate using the peristaltic pump with the three-way valve initially open and purge an adequate length of time to assure source vapors fill the sample train. Log the PID readings. Note the condition of the gas stream for the presence of moisture or other matter. (Note: At no time should droplets be permitted to enter the sample canister).
- Once adequate purge has been achieved, close the three-way valve and stop the purge pump. The three-way valve should now be closed to the peristaltic pump and open towards the SUMMA® canister for sample collection.

Sample Collection

- With the sample port valve still open, and 3-way valve properly aligned, gently open the SUMMA® canister valve. Record in the field notebook the time sampling began and note conditions.
- Take photographs of the SUMMA® canister, sample location and surrounding area, as appropriate.

- Close the canister valve when the canister vacuum reaches approximately 5 inches of Hg (leaving some vacuum in the canister provides a way to verify if the canister leaks before it reaches the laboratory) or when the desired sample collection time has elapsed. Verify end vacuum reading and record on the appropriate form.
- Close the sample port valve and carefully disconnect the sample train assembly and purge PID of residual source gas.

VII. Sample Handling, Packing and Shipping

- Record the date and local time (24-hour basis) of valve closing in the field notebook, sample collection log, and COC form.
- Complete the appropriate forms and sample labels as directed by the laboratory (e.g., affix card with string), complete COC forms and place requisite copies in shipping container.
- Package the canister (and flow controller if supplied by the laboratory) in the shipping container for return shipment to the laboratory. The SUMMA® canister does not require any preservation methods for shipment.
- Seal shipping container by affixing custody seal to container closure. Keep trip blank with collected samples until laboratory courier arrives. Keep all samples away from objects that may impact results (i.e. car exhaust, contaminated media).

VIII. Waste Management

No specific waste management procedures are required. Properly dispose of used materials in a sealed plastic bag managed as Non-hazardous waste.

IX. Data Recording and Management

Measurements will be recorded in the field notebook at the time of measurement, with notations of project name, sample date, sample start and finish times, sample location (e.g., GPS coordinates if available), canister serial number and initial and final vacuum reading. Field sampling logs and COC records will be transmitted to the Project Manager.

X. Quality Assurance

Soil gas vapor sample analysis will be performed using USEPA Method TO-14A and USEPA Method 25C. The TO-14A method uses a quadrupole or ion-trap GC/MS with a capillary column to provide optimum detection limits. The GC/MS system requires a 1-liter gas sample (which can easily be recovered from a 6-liter canister) to provide a 0.5 ppbv detection limit. The 6-liter canister also provides several additional 1-liter samples in case subsequent re-analyses or dilutions are required. This system also offers the advantage of the GC/MS detector, which confirms the identity of detected compounds by evaluating their mass spectra in either the SCAN or SIM mode.

The Method 25C analysis for total non-methane organic compounds requires less than 1-liter volume for analysis. Both the TO-14A and 25C analysis can be performed from the same canister. Oxygen, carbon monoxide, carbon dioxide and methane fixed gases are analyzed in accordance with the American Society for Testing and Materials (ASTM) method D1946.

XI. Limitations

Please reference the documentation specific to the job site, including the permit conditions, to assure that the method testing is suitable for testing requirements and project target goals.

XII. References

Center for Environmental Research Information Office of Research and Development, *Compendium of Methods for the Determination of Toxic Organic Compounds in Ambient Air - Second Edition, Compendium Method TO-14A Determination of Volatile Organic Compounds (VOCs) In Ambient Air Using Specially Prepared Canisters with Subsequent Analysis By Gas Chromatography*, U.S. Environmental Protection Agency, Cincinnati, OH 45268. January 1999.



Appendix B

Air and Groundwater Analytical
Laboratory Reports

TestAmerica

THE LEADER IN ENVIRONMENTAL TESTING

ANALYTICAL REPORT

TestAmerica Laboratories, Inc.
TestAmerica Los Angeles
3585 Cadillac Avenue, Suite A
Costa Mesa, CA 92626
Tel: 714-258-8610

TestAmerica Job ID: LUL0241
Client Project/Site: GP09BPNA.C056
Client Project Description: ARCO 5202

For:
ARCADIS US Inc., Roseville
1410 Rocky Ridge Road, Suite 330
Roseville, CA 95661

Attn: Casey Sanders

Beth Riley

Authorized for release by:
12/28/2011 1:09:54 PM

Beth Riley
Customer Service Manager
beth.riley@testamericainc.com

LINKS

Review your project
results through

Total Access

Have a Question?

**Ask
The
Expert**

Visit us at:

www.testamericainc.com

The test results in this report meet all 2003 NELAC and 2009 TNI requirements for accredited parameters, exceptions are noted in this report. This report may not be reproduced except in full, and with written approval from the laboratory. For questions please contact the Project Manager at the e-mail address or telephone number listed on this page.

This report has been electronically signed and authorized by the signatory. Electronic signature is intended to be the legally binding equivalent of a traditionally handwritten signature.

Results relate only to the items tested and the sample(s) as received by the laboratory.

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7

8

9

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11

12

13

14



Table of Contents

Cover Page	1
Table of Contents	2
Definitions/Glossary	3
Case Narrative	4
Detection Summary	5
Client Sample Results	6
Surrogate Summary	9
QC Sample Results	10
QC Association Summary	13
Lab Chronicle	14
Certification Summary	15
Method Summary	16
Sample Summary	17
Chain of Custody	18

Definitions/Glossary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Qualifiers

GCMS Volatiles

Qualifier	Qualifier Description
LW	Quantitated against gasoline.
BF	Reporting limits raised due to high hydrocarbon background

Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
☼	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CNF	Contains no Free Liquid
DL, RA, RE, IN	Indicates a Dilution, Reanalysis, Re-extraction, or additional Initial metals/anion analysis of the sample
EDL	Estimated Detection Limit
EPA	United States Environmental Protection Agency
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
ND	Not detected at the reporting limit (or MDL or EDL if shown)
PQL	Practical Quantitation Limit
QC	Quality Control
RL	Reporting Limit
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)

Case Narrative

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Job ID: LUL0241

Laboratory: TestAmerica Los Angeles

Corrective Action Report

ID: 5870

Department: Sample Control

Date: 12/21/2011

Identification and Definition of Problem:

Please note that EPA Method TO-15 describes the use of canisters for sampling and analysis. Use of air sample bags constitutes a modification to the method.

Quality Assurance Approval by Maria Friedman on 12/21/2011 12:13 PM.



Detection Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-01

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	0.92		0.040	ppmv	10		EPA TO15 Modifier	Total
Toluene	0.15		0.040	ppmv	10		EPA TO15 Modifier	Total
GRO (C4-C12)	480	LW	5.0	ppmv	10		EPA TO15 Modifier	Total
m,p-Xylene	0.081		0.040	ppmv	10		EPA TO15 Modifier	Total
Xylenes, total	0.10		0.040	ppmv	10		EPA TO15 Modifier	Total
Carbon dioxide	12		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	4.7		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	6.3		0.20	%(v/v)	1.0		ASTM D1946	Total

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-02

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	1.3	BF	0.067	ppmv	17		EPA TO15 Modifier	Total
Ethylbenzene	0.080	BF	0.067	ppmv	17		EPA TO15 Modifier	Total
Methyl tert-butyl ether (MTBE)	0.34	BF	0.067	ppmv	17		EPA TO15 Modifier	Total
Toluene	0.16	BF	0.067	ppmv	17		EPA TO15 Modifier	Total
GRO (C4-C12)	480	BF LW	8.3	ppmv	17		EPA TO15 Modifier	Total
m,p-Xylene	0.28	BF	0.067	ppmv	17		EPA TO15 Modifier	Total
Xylenes, total	0.33	BF	0.067	ppmv	17		EPA TO15 Modifier	Total
Carbon dioxide	10		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	2.0		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	8.0		0.20	%(v/v)	1.0		ASTM D1946	Total

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-03

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	1.0		0.067	ppmv	17		EPA TO15 Modifier	Total
Ethylbenzene	0.49		0.067	ppmv	17		EPA TO15 Modifier	Total
Methyl tert-butyl ether (MTBE)	0.53		0.067	ppmv	17		EPA TO15 Modifier	Total
Toluene	0.22		0.067	ppmv	17		EPA TO15 Modifier	Total
GRO (C4-C12)	460	LW	8.3	ppmv	17		EPA TO15 Modifier	Total
m,p-Xylene	3.2		0.067	ppmv	17		EPA TO15 Modifier	Total
o-Xylene	0.68		0.067	ppmv	17		EPA TO15 Modifier	Total
Xylenes, total	3.8		0.067	ppmv	17		EPA TO15 Modifier	Total
Carbon dioxide	9.1		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	0.53		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	9.8		0.20	%(v/v)	1.0		ASTM D1946	Total



Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-01

Date Collected: 12/20/11 11:00

Matrix: Air

Date Received: 12/21/11 08:50

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	0.92		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
tert-Butyl alcohol	ND		0.50	ppmv		12/21/11 08:50	12/22/11 05:12	10
Ethanol	ND		0.50	ppmv		12/21/11 08:50	12/22/11 05:12	10
tert-Amyl methyl ether (TAME)	ND		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
Ethyl tert-butyl ether (ETBE)	ND		0.10	ppmv		12/21/11 08:50	12/22/11 05:12	10
Ethylbenzene	ND		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
Diisopropyl ether (DIPE)	ND		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
Methyl tert-butyl ether (MTBE)	ND		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
Toluene	0.15		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
GRO (C4-C12)	480	LW	5.0	ppmv		12/21/11 08:50	12/22/11 05:12	10
m,p-Xylene	0.081		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
o-Xylene	ND		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
Xylenes, total	0.10		0.040	ppmv		12/21/11 08:50	12/22/11 05:12	10
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	98		70 - 130			12/21/11 08:50	12/22/11 05:12	10
1,2-Dichloroethane-d4	114		70 - 130			12/21/11 08:50	12/22/11 05:12	10
Toluene-d8	102		70 - 130			12/21/11 08:50	12/22/11 05:12	10

Method: ASTM D1946 - Fixed Gases

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	12		0.010	%(v/v)		12/21/11 08:50	12/22/11 18:15	1.0
Methane	4.7		0.00020	%(v/v)		12/21/11 08:50	12/22/11 18:15	1.0
Oxygen	6.3		0.20	%(v/v)		12/21/11 08:50	12/22/11 18:15	1.0

Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-02

Date Collected: 12/20/11 13:00

Matrix: Air

Date Received: 12/21/11 08:50

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS									
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Benzene	1.3	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
tert-Butyl alcohol	ND	BF	0.83	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Ethanol	ND	BF	0.83	ppmv		12/21/11 08:50	12/22/11 02:35	17	
tert-Amyl methyl ether (TAME)	ND	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Ethyl tert-butyl ether (ETBE)	ND	BF	0.17	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Ethylbenzene	0.080	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Diisopropyl ether (DIPE)	ND	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Methyl tert-butyl ether (MTBE)	0.34	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Toluene	0.16	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
GRO (C4-C12)	480	BF LW	8.3	ppmv		12/21/11 08:50	12/22/11 02:35	17	
m,p-Xylene	0.28	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
o-Xylene	ND	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Xylenes, total	0.33	BF	0.067	ppmv		12/21/11 08:50	12/22/11 02:35	17	
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac	
4-Bromofluorobenzene	96	BF	70 - 130			12/21/11 08:50	12/22/11 02:35	17	
1,2-Dichloroethane-d4	108	BF	70 - 130			12/21/11 08:50	12/22/11 02:35	17	
Toluene-d8	104	BF	70 - 130			12/21/11 08:50	12/22/11 02:35	17	

Method: ASTM D1946 - Fixed Gases									
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Carbon dioxide	10		0.010	%(v/v)		12/21/11 08:50	12/22/11 18:32	1.0	
Methane	2.0		0.00020	%(v/v)		12/21/11 08:50	12/22/11 18:32	1.0	
Oxygen	8.0		0.20	%(v/v)		12/21/11 08:50	12/22/11 18:32	1.0	



Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-03

Date Collected: 12/20/11 18:00

Matrix: Air

Date Received: 12/21/11 08:50

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	1.0		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
tert-Butyl alcohol	ND		0.83	ppmv		12/21/11 08:50	12/22/11 03:12	17
Ethanol	ND		0.83	ppmv		12/21/11 08:50	12/22/11 03:12	17
tert-Amyl methyl ether (TAME)	ND		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
Ethyl tert-butyl ether (ETBE)	ND		0.17	ppmv		12/21/11 08:50	12/22/11 03:12	17
Ethylbenzene	0.49		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
Diisopropyl ether (DIPE)	ND		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
Methyl tert-butyl ether (MTBE)	0.53		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
Toluene	0.22		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
GRO (C4-C12)	460	LW	8.3	ppmv		12/21/11 08:50	12/22/11 03:12	17
m,p-Xylene	3.2		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
o-Xylene	0.68		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
Xylenes, total	3.8		0.067	ppmv		12/21/11 08:50	12/22/11 03:12	17
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	104		70 - 130			12/21/11 08:50	12/22/11 03:12	17
1,2-Dichloroethane-d4	98		70 - 130			12/21/11 08:50	12/22/11 03:12	17
Toluene-d8	103		70 - 130			12/21/11 08:50	12/22/11 03:12	17

Method: ASTM D1946 - Fixed Gases

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	9.1		0.010	%(v/v)		12/21/11 08:50	12/22/11 18:49	1.0
Methane	0.53		0.00020	%(v/v)		12/21/11 08:50	12/22/11 18:49	1.0
Oxygen	9.8		0.20	%(v/v)		12/21/11 08:50	12/22/11 18:49	1.0



Surrogate Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Matrix: Air

Prep Type: Total

Lab Sample ID	Client Sample ID	Percent Surrogate Recovery (Acceptance Limits)		
		BFB (70-130)	chloroetha (70-130)	Toluene-d8 (70-130)
11L0152-BLK1	Method Blank	97	103	102
11L0152-BS1	Lab Control Sample	99	104	103
11L0152-BSD1	Lab Control Sample Dup	100	104	101
LUL0241-01	TPE-1	98	114	102
LUL0241-02	TPE-1	96 BF	108 BF	104 BF
LUL0241-03	TPE-1	104	98	103

Surrogate Legend

BFB = 4-Bromofluorobenzene
1,2-Dichloroethane-d4 = 1,2-Dichloroethane-d4
Toluene-d8 = Toluene-d8



QC Sample Results

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Lab Sample ID: 11L0152-BLK1				Client Sample ID: Method Blank					
Matrix: Air				Prep Type: Total					
Analysis Batch: 11L0152				Prep Batch: 11L0152_P					
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Benzene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
tert-Butyl alcohol	ND		0.050	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Ethanol	ND		0.050	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
tert-Amyl methyl ether (TAME)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Ethyl tert-butyl ether (ETBE)	ND		0.010	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Ethylbenzene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Diisopropyl ether (DIPE)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Methyl tert-butyl ether (MTBE)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Toluene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
GRO (C4-C12)	ND		0.50	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
m,p-Xylene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
o-Xylene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Xylenes, total	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	

Surrogate	Blank %Recovery	Blank Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	97		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00
1,2-Dichloroethane-d4	103		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00
Toluene-d8	102		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00

Lab Sample ID: 11L0152-BS1				Client Sample ID: Lab Control Sample					
Matrix: Air				Prep Type: Total					
Analysis Batch: 11L0152				Prep Batch: 11L0152_P					
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
Benzene	0.05250	0.0588		ppmv		112	70 - 130		
Ethylbenzene	0.05000	0.0509		ppmv		102	70 - 130		
Methyl tert-butyl ether (MTBE)	0.05250	0.0477		ppmv		91	70 - 130		
Toluene	0.05250	0.0525		ppmv		100	70 - 130		
m,p-Xylene	0.1000	0.101		ppmv		101	70 - 130		
o-Xylene	0.05000	0.0501		ppmv		100	70 - 130		
Xylenes, total	0.1500	0.151		ppmv		101	70 - 130		

Surrogate	LCS %Recovery	LCS Qualifier	Limits
4-Bromofluorobenzene	99		70 - 130
1,2-Dichloroethane-d4	104		70 - 130
Toluene-d8	103		70 - 130

Lab Sample ID: 11L0152-BS1				Client Sample ID: Lab Control Sample					
Matrix: Air				Prep Type: Total					
Analysis Batch: 11L0152				Prep Batch: 11L0152_P					
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
tert-Butyl alcohol	0.2500	0.228		ppmv		91	70 - 130		
Ethanol	0.2500	0.205		ppmv		82	70 - 130		
tert-Amyl methyl ether (TAME)	0.05000	0.0391		ppmv		78	70 - 130		
Ethyl tert-butyl ether (ETBE)	0.05000	0.0507		ppmv		101	70 - 130		
Diisopropyl ether (DIPE)	0.05000	0.0532		ppmv		106	70 - 130		

QC Sample Results

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS (Continued)

Lab Sample ID: 11L0152-BS1			Client Sample ID: Lab Control Sample						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
TPH as Gasoline	10.00	9.33		ppmv		93	70 - 130		

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
Benzene	0.05250	0.0611		ppmv		116	70 - 130	4	25
Ethylbenzene	0.05000	0.0517		ppmv		103	70 - 130	2	25
Methyl tert-butyl ether (MTBE)	0.05250	0.0504		ppmv		96	70 - 130	6	25
Toluene	0.05250	0.0543		ppmv		103	70 - 130	3	25
m,p-Xylene	0.1000	0.106		ppmv		106	70 - 130	4	25
o-Xylene	0.05000	0.0520		ppmv		104	70 - 130	4	25
Xylenes, total	0.1500	0.158		ppmv		105	70 - 130	4	25
Surrogate	LCS Dup %Recovery	LCS Dup Qualifier	Limits						
4-Bromofluorobenzene	100		70 - 130						
1,2-Dichloroethane-d4	104		70 - 130						
Toluene-d8	101		70 - 130						

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
tert-Butyl alcohol	0.2500	0.226		ppmv		90	70 - 130	1	25
Ethanol	0.2500	0.223		ppmv		89	70 - 130	9	25
tert-Amyl methyl ether (TAME)	0.05000	0.0386		ppmv		77	70 - 130	1	25
Ethyl tert-butyl ether (ETBE)	0.05000	0.0479		ppmv		96	70 - 130	6	25
Diisopropyl ether (DIPE)	0.05000	0.0521		ppmv		104	70 - 130	2	25

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
TPH as Gasoline	10.00	9.52		ppmv		95	70 - 130	2	25

Method: ASTM D1946 - Fixed Gases

Lab Sample ID: 11L0162-BLK1			Client Sample ID: Method Blank					
Matrix: Air			Prep Type: Total					
Analysis Batch: 11L0162			Prep Batch: 11L0162_P					
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	ND		0.010	%(v/v)		12/22/11 10:00	12/22/11 17:37	1.00
Methane	ND		0.00020	%(v/v)		12/22/11 10:00	12/22/11 17:37	1.00
Oxygen	ND		0.20	%(v/v)		12/22/11 10:00	12/22/11 17:37	1.00

QC Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Method: ASTM D1946 - Fixed Gases (Continued)

Lab Sample ID: 11L0162-BS1			Client Sample ID: Lab Control Sample						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0162			Prep Batch: 11L0162_P						
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec. Limits		
Carbon dioxide	0.2527	0.251		%(v/v)		99	80 - 120		
Methane	0.01266	0.0113		%(v/v)		89	80 - 120		
Oxygen	1.261	1.29		%(v/v)		102	80 - 120		

Lab Sample ID: 11L0162-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0162			Prep Batch: 11L0162_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
Carbon dioxide	0.2527	0.252		%(v/v)		100	80 - 120	0.1	20
Methane	0.01266	0.0112		%(v/v)		89	80 - 120	0.2	20
Oxygen	1.261	1.29		%(v/v)		102	80 - 120	0.008	20



QC Association Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

GCMS Volatiles

Analysis Batch: 11L0152

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0152-BLK1	Method Blank	Total	Air	EPA TO15	11L0152_P
11L0152-BS1	Lab Control Sample	Total	Air	Modified EPA TO15	11L0152_P
11L0152-BSD1	Lab Control Sample Dup	Total	Air	Modified EPA TO15	11L0152_P
LUL0241-01	TPE-1	Total	Air	Modified EPA TO15	11L0152_P
LUL0241-02	TPE-1	Total	Air	Modified EPA TO15	11L0152_P
LUL0241-03	TPE-1	Total	Air	Modified EPA TO15	11L0152_P

Prep Batch: 11L0152_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0152-BLK1	Method Blank	Total	Air	MS-MED	
11L0152-BS1	Lab Control Sample	Total	Air	MS-MED	
11L0152-BSD1	Lab Control Sample Dup	Total	Air	MS-MED	
LUL0241-01	TPE-1	Total	Air	MS-MED	
LUL0241-02	TPE-1	Total	Air	MS-MED	
LUL0241-03	TPE-1	Total	Air	MS-MED	

GC Volatiles

Analysis Batch: 11L0162

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0162-BLK1	Method Blank	Total	Air	ASTM D1946	11L0162_P
11L0162-BS1	Lab Control Sample	Total	Air	ASTM D1946	11L0162_P
11L0162-BSD1	Lab Control Sample Dup	Total	Air	ASTM D1946	11L0162_P
LUL0241-01	TPE-1	Total	Air	ASTM D1946	11L0162_P
LUL0241-02	TPE-1	Total	Air	ASTM D1946	11L0162_P
LUL0241-03	TPE-1	Total	Air	ASTM D1946	11L0162_P

Prep Batch: 11L0162_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0162-BLK1	Method Blank	Total	Air	GC-D1946/3C	
11L0162-BS1	Lab Control Sample	Total	Air	GC-D1946/3C	
11L0162-BSD1	Lab Control Sample Dup	Total	Air	GC-D1946/3C	
LUL0241-01	TPE-1	Total	Air	GC-D1946/3C	
LUL0241-02	TPE-1	Total	Air	GC-D1946/3C	
LUL0241-03	TPE-1	Total	Air	GC-D1946/3C	



Lab Chronicle

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-01

Date Collected: 12/20/11 11:00

Matrix: Air

Date Received: 12/21/11 08:50

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0152_P	12/21/11 08:50	JR	TAL LA
Total	Analysis	EPA TO15 Modified		10	11L0152	12/22/11 05:12	TD	TAL LA
Instrument ID: MSB								
Total	Prep	GC-D1946/3C		1.0	11L0162_P	12/21/11 08:50	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0162	12/22/11 18:15	EI	TAL LA
Instrument ID: GC8								

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-02

Date Collected: 12/20/11 13:00

Matrix: Air

Date Received: 12/21/11 08:50

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0152_P	12/21/11 08:50	JR	TAL LA
Total	Analysis	EPA TO15 Modified		17	11L0152	12/22/11 02:35	AD	TAL LA
Instrument ID: MSB								
Total	Prep	GC-D1946/3C		1.0	11L0162_P	12/21/11 08:50	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0162	12/22/11 18:32	EI	TAL LA
Instrument ID: GC8								

Client Sample ID: TPE-1

Lab Sample ID: LUL0241-03

Date Collected: 12/20/11 18:00

Matrix: Air

Date Received: 12/21/11 08:50

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0152_P	12/21/11 08:50	JR	TAL LA
Total	Analysis	EPA TO15 Modified		17	11L0152	12/22/11 03:12	AD	TAL LA
Instrument ID: MSB								
Total	Prep	GC-D1946/3C		1.0	11L0162_P	12/21/11 08:50	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0162	12/22/11 18:49	EI	TAL LA
Instrument ID: GC8								

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Certification Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Laboratory	Authority	Program	EPA Region	Certification ID
TestAmerica Los Angeles	Arizona	State Program	9	AZ0727
TestAmerica Los Angeles	Florida	NELAC	4	E87652
TestAmerica Los Angeles	L-A-B	DoD ELAP		L2273
TestAmerica Los Angeles	Louisiana	NELAC	6	01948
TestAmerica Los Angeles	New York	NELAC	2	11851
TestAmerica Los Angeles	Oregon	NELAC	10	CA200013

Accreditation may not be offered or required for all methods and analytes reported in this package. Please contact your project manager for the laboratory's current list of certified methods and analytes.



Method Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

<u>Method</u>	<u>Method Description</u>	<u>Protocol</u>	<u>Laboratory</u>
EPA TO15	Volatile Organic Compounds by GC/MS		TAL LA
Modified ASTM D1946	Fixed Gases		TAL LA

Protocol References:

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Sample Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0241

Lab Sample ID	Client Sample ID	Matrix	Collected	Received
LUL0241-01	TPE-1	Air	12/20/11 11:00	12/21/11 08:50
LUL0241-02	TPE-1	Air	12/20/11 13:00	12/21/11 08:50
LUL0241-03	TPE-1	Air	12/20/11 18:00	12/21/11 08:50

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- 2
- 3
- 4
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- 7
- 8
- 9
- 10
- 11
- 12
- 13**
- 14

Los Angeles
3585 Cadiñas Ave
Suite A
Costa Mesa, CA 92626
phone 714.258.8610 fax 714.258.0921

Chain of Custody Record

TestAmerica
THE LEADER IN ENVIRONMENTAL TESTING

TestAmerica Laboratories, Inc.

LUL0241

Client Contact
ARCADIS
1410 Rocky Ridge Road, Suite 330
Roseville, CA 95661
916.865.3125
Project Name: Arcad#5202 Pilot Test
Site: Arcad#5202, Garden Grove
PO #

Project Manager: Casey Sanders
Tel/Fax: 916.865.3125
Analysis Turnaround Time
Calendar (C) or Work Days (W)
TAT if different from below
 2 weeks
 1 week
 2 days
 1 day

Sampler: Val Pina
Lab Contact: Beth Rsky
Date: 12-20-11
Carrier: Val Pina
COC No: _____ of _____ COCs
Job No: GP08BPNA.C056
SDG No.
Global ID: T0805901648

Sample Identification	Canister Identification Number	Sample Date	Sample Time	Sample Type	Matrix	# of Can.	Filtered Sample	TPH-GRO, BTEX, oys & ethanol by TOIS	ASTM D1946 Methane, oxygen and carbon dioxide	Sample Specific Notes
TPE-1		12-20-11	1100	Grab	Air	2	X			
TPE-1		12-20-11	1300	Grab	Air	2	X			
TPE-1		12-20-11	1800	Grab	Air	2	X			

Preservation Used: 1= Ice, 2= HCl; 3= H2SO4; 4= HNO3; 5= NaOH; 6= Other _____
Possible Hazard Identification
 Non-Hazard Flammable San Irritant Poison B Unknown

Special Instructions/QC Requirements & Comments:

Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)
 Return To Client Disposal By Lab Archive For _____ Months

Relinquished by: [Signature]
Relinquished by: [Signature]
Relinquished by: [Signature]

Company: ARCADIS
Company: TAFI
Company: TAFI

Date/Time: 12/20/11 07:55
Date/Time: 12/21/11 8:00
Date/Time: 12/21/11 08:50

Received by: [Signature]
Received by: [Signature]
Received by: [Signature]

Company: TAFI
Company: TAFI
Company: TAFI

PT

12
13
14

TestAmerica

THE LEADER IN ENVIRONMENTAL TESTING

ANALYTICAL REPORT

TestAmerica Laboratories, Inc.
TestAmerica Los Angeles
3585 Cadillac Avenue, Suite A
Costa Mesa, CA 92626
Tel: 714-258-8610

TestAmerica Job ID: LUL0251
Client Project/Site: GP09BPNA.C056
Client Project Description: ARCO 5202

For:
ARCADIS US Inc., Roseville
1410 Rocky Ridge Road, Suite 330
Roseville, CA 95661

Attn: Casey Sanders

Beth Riley

Authorized for release by:
12/28/2011 12:59:33 PM

Beth Riley
Customer Service Manager
beth.riley@testamericainc.com

LINKS

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This report has been electronically signed and authorized by the signatory. Electronic signature is intended to be the legally binding equivalent of a traditionally handwritten signature.

Results relate only to the items tested and the sample(s) as received by the laboratory.

1

2

3

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5

6

7

8

9

10

11

12

13

14



Table of Contents

Cover Page	1
Table of Contents	2
Definitions/Glossary	3
Case Narrative	4
Detection Summary	5
Client Sample Results	6
Surrogate Summary	8
QC Sample Results	9
QC Association Summary	12
Lab Chronicle	13
Certification Summary	14
Method Summary	15
Sample Summary	16
Chain of Custody	17

Definitions/Glossary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Qualifiers

GCMS Volatiles

Qualifier	Qualifier Description
LW	Quantitated against gasoline.

Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
☆	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CNF	Contains no Free Liquid
DL, RA, RE, IN	Indicates a Dilution, Reanalysis, Re-extraction, or additional Initial metals/anion analysis of the sample
EDL	Estimated Detection Limit
EPA	United States Environmental Protection Agency
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
ND	Not detected at the reporting limit (or MDL or EDL if shown)
PQL	Practical Quantitation Limit
QC	Quality Control
RL	Reporting Limit
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)

Case Narrative

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Job ID: LUL0251

Laboratory: TestAmerica Los Angeles

Corrective Action Report

ID: 5877

Department: Sample Control

Date: 12/22/2011

Identification and Definition of Problem:

Please note that EPA Method TO-15 describes the use of canisters for sampling and analysis. Use of air sample bags constitutes a modification to the method.

Quality Assurance Approval by Maria Friedman on 12/22/2011 08:43 AM.



Detection Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Client Sample ID: TPE-1

Lab Sample ID: LUL0251-01

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	0.45		0.040	ppmv	10		EPA TO15 Modifier	Total
Ethylbenzene	0.36		0.040	ppmv	10		EPA TO15 Modifier	Total
Methyl tert-butyl ether (MTBE)	0.22		0.040	ppmv	10		EPA TO15 Modifier	Total
Toluene	0.13		0.040	ppmv	10		EPA TO15 Modifier	Total
GRO (C4-C12)	300	LW	5.0	ppmv	10		EPA TO15 Modifier	Total
m,p-Xylene	2.9		0.040	ppmv	10		EPA TO15 Modifier	Total
o-Xylene	0.60		0.040	ppmv	10		EPA TO15 Modifier	Total
Xylenes, total	3.5		0.040	ppmv	10		EPA TO15 Modifier	Total
Carbon dioxide	5.8		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	0.040		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	14		0.20	%(v/v)	1.0		ASTM D1946	Total

Client Sample ID: TPE-1

Lab Sample ID: LUL0251-02

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	0.52		0.040	ppmv	10		EPA TO15 Modifier	Total
Ethylbenzene	0.31		0.040	ppmv	10		EPA TO15 Modifier	Total
Methyl tert-butyl ether (MTBE)	0.18		0.040	ppmv	10		EPA TO15 Modifier	Total
Toluene	0.15		0.040	ppmv	10		EPA TO15 Modifier	Total
GRO (C4-C12)	260	LW	5.0	ppmv	10		EPA TO15 Modifier	Total
m,p-Xylene	2.5		0.040	ppmv	10		EPA TO15 Modifier	Total
o-Xylene	0.52		0.040	ppmv	10		EPA TO15 Modifier	Total
Xylenes, total	3.0		0.040	ppmv	10		EPA TO15 Modifier	Total
Carbon dioxide	5.7		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	0.033		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	15		0.20	%(v/v)	1.0		ASTM D1946	Total

Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Client Sample ID: TPE-1

Lab Sample ID: LUL0251-01

Date Collected: 12/21/11 10:00

Matrix: Air

Date Received: 12/21/11 18:35

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS									
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Benzene	0.45		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
tert-Butyl alcohol	ND		0.50	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Ethanol	ND		0.50	ppmv		12/21/11 18:35	12/22/11 03:49	10	
tert-Amyl methyl ether (TAME)	ND		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Ethyl tert-butyl ether (ETBE)	ND		0.10	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Ethylbenzene	0.36		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Diisopropyl ether (DIPE)	ND		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Methyl tert-butyl ether (MTBE)	0.22		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Toluene	0.13		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
GRO (C4-C12)	300	LW	5.0	ppmv		12/21/11 18:35	12/22/11 03:49	10	
m,p-Xylene	2.9		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
o-Xylene	0.60		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Xylenes, total	3.5		0.040	ppmv		12/21/11 18:35	12/22/11 03:49	10	
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac	
4-Bromofluorobenzene	111		70 - 130			12/21/11 18:35	12/22/11 03:49	10	
1,2-Dichloroethane-d4	104		70 - 130			12/21/11 18:35	12/22/11 03:49	10	
Toluene-d8	101		70 - 130			12/21/11 18:35	12/22/11 03:49	10	

Method: ASTM D1946 - Fixed Gases									
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Carbon dioxide	5.8		0.010	%(v/v)		12/21/11 18:35	12/22/11 19:07	1.0	
Methane	0.040		0.00020	%(v/v)		12/21/11 18:35	12/22/11 19:07	1.0	
Oxygen	14		0.20	%(v/v)		12/21/11 18:35	12/22/11 19:07	1.0	



Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Client Sample ID: TPE-1

Lab Sample ID: LUL0251-02

Date Collected: 12/21/11 16:00

Matrix: Air

Date Received: 12/21/11 18:35

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS								
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	0.52		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
tert-Butyl alcohol	ND		0.50	ppmv		12/21/11 18:35	12/22/11 04:34	10
Ethanol	ND		0.50	ppmv		12/21/11 18:35	12/22/11 04:34	10
tert-Amyl methyl ether (TAME)	ND		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
Ethyl tert-butyl ether (ETBE)	ND		0.10	ppmv		12/21/11 18:35	12/22/11 04:34	10
Ethylbenzene	0.31		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
Diisopropyl ether (DIPE)	ND		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
Methyl tert-butyl ether (MTBE)	0.18		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
Toluene	0.15		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
GRO (C4-C12)	260	LW	5.0	ppmv		12/21/11 18:35	12/22/11 04:34	10
m,p-Xylene	2.5		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
o-Xylene	0.52		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
Xylenes, total	3.0		0.040	ppmv		12/21/11 18:35	12/22/11 04:34	10
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	107		70 - 130			12/21/11 18:35	12/22/11 04:34	10
1,2-Dichloroethane-d4	117		70 - 130			12/21/11 18:35	12/22/11 04:34	10
Toluene-d8	97		70 - 130			12/21/11 18:35	12/22/11 04:34	10

Method: ASTM D1946 - Fixed Gases								
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	5.7		0.010	%(v/v)		12/21/11 18:35	12/22/11 19:25	1.0
Methane	0.033		0.00020	%(v/v)		12/21/11 18:35	12/22/11 19:25	1.0
Oxygen	15		0.20	%(v/v)		12/21/11 18:35	12/22/11 19:25	1.0

Surrogate Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Matrix: Air

Prep Type: Total

Lab Sample ID	Client Sample ID	Percent Surrogate Recovery (Acceptance Limits)		
		BFB (70-130)	chloroetha (70-130)	Toluene-d8 (70-130)
11L0152-BLK1	Method Blank	97	103	102
11L0152-BS1	Lab Control Sample	99	104	103
11L0152-BSD1	Lab Control Sample Dup	100	104	101
LUL0251-01	TPE-1	111	104	101
LUL0251-02	TPE-1	107	117	97

Surrogate Legend

BFB = 4-Bromofluorobenzene

1,2-Dichloroethane-d4 = 1,2-Dichloroethane-d4

Toluene-d8 = Toluene-d8



QC Sample Results

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Lab Sample ID: 11L0152-BLK1				Client Sample ID: Method Blank					
Matrix: Air				Prep Type: Total					
Analysis Batch: 11L0152				Prep Batch: 11L0152_P					
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Benzene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
tert-Butyl alcohol	ND		0.050	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Ethanol	ND		0.050	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
tert-Amyl methyl ether (TAME)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Ethyl tert-butyl ether (ETBE)	ND		0.010	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Ethylbenzene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Diisopropyl ether (DIPE)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Methyl tert-butyl ether (MTBE)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Toluene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
GRO (C4-C12)	ND		0.50	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
m,p-Xylene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
o-Xylene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	
Xylenes, total	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00	

Surrogate	Blank %Recovery	Blank Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	97		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00
1,2-Dichloroethane-d4	103		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00
Toluene-d8	102		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00

Lab Sample ID: 11L0152-BS1				Client Sample ID: Lab Control Sample					
Matrix: Air				Prep Type: Total					
Analysis Batch: 11L0152				Prep Batch: 11L0152_P					
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
Benzene	0.05250	0.0588		ppmv		112	70 - 130		
Ethylbenzene	0.05000	0.0509		ppmv		102	70 - 130		
Methyl tert-butyl ether (MTBE)	0.05250	0.0477		ppmv		91	70 - 130		
Toluene	0.05250	0.0525		ppmv		100	70 - 130		
m,p-Xylene	0.1000	0.101		ppmv		101	70 - 130		
o-Xylene	0.05000	0.0501		ppmv		100	70 - 130		
Xylenes, total	0.1500	0.151		ppmv		101	70 - 130		

Surrogate	LCS %Recovery	LCS Qualifier	Limits
4-Bromofluorobenzene	99		70 - 130
1,2-Dichloroethane-d4	104		70 - 130
Toluene-d8	103		70 - 130

Lab Sample ID: 11L0152-BS1				Client Sample ID: Lab Control Sample					
Matrix: Air				Prep Type: Total					
Analysis Batch: 11L0152				Prep Batch: 11L0152_P					
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
tert-Butyl alcohol	0.2500	0.228		ppmv		91	70 - 130		
Ethanol	0.2500	0.205		ppmv		82	70 - 130		
tert-Amyl methyl ether (TAME)	0.05000	0.0391		ppmv		78	70 - 130		
Ethyl tert-butyl ether (ETBE)	0.05000	0.0507		ppmv		101	70 - 130		
Diisopropyl ether (DIPE)	0.05000	0.0532		ppmv		106	70 - 130		

QC Sample Results

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS (Continued)

Lab Sample ID: 11L0152-BS1			Client Sample ID: Lab Control Sample						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits		
TPH as Gasoline	10.00	9.33		ppmv		93	70 - 130		

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
Benzene	0.05250	0.0611		ppmv		116	70 - 130	4	25
Ethylbenzene	0.05000	0.0517		ppmv		103	70 - 130	2	25
Methyl tert-butyl ether (MTBE)	0.05250	0.0504		ppmv		96	70 - 130	6	25
Toluene	0.05250	0.0543		ppmv		103	70 - 130	3	25
m,p-Xylene	0.1000	0.106		ppmv		106	70 - 130	4	25
o-Xylene	0.05000	0.0520		ppmv		104	70 - 130	4	25
Xylenes, total	0.1500	0.158		ppmv		105	70 - 130	4	25

Surrogate	LCS Dup %Recovery	LCS Dup Qualifier	Limits
4-Bromofluorobenzene	100		70 - 130
1,2-Dichloroethane-d4	104		70 - 130
Toluene-d8	101		70 - 130

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
tert-Butyl alcohol	0.2500	0.226		ppmv		90	70 - 130	1	25
Ethanol	0.2500	0.223		ppmv		89	70 - 130	9	25
tert-Amyl methyl ether (TAME)	0.05000	0.0386		ppmv		77	70 - 130	1	25
Ethyl tert-butyl ether (ETBE)	0.05000	0.0479		ppmv		96	70 - 130	6	25
Diisopropyl ether (DIPE)	0.05000	0.0521		ppmv		104	70 - 130	2	25

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
TPH as Gasoline	10.00	9.52		ppmv		95	70 - 130	2	25

Method: ASTM D1946 - Fixed Gases

Lab Sample ID: 11L0162-BLK1			Client Sample ID: Method Blank						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0162			Prep Batch: 11L0162_P						
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Carbon dioxide	ND		0.010	%(v/v)		12/22/11 10:00	12/22/11 17:37	1.00	
Methane	ND		0.00020	%(v/v)		12/22/11 10:00	12/22/11 17:37	1.00	
Oxygen	ND		0.20	%(v/v)		12/22/11 10:00	12/22/11 17:37	1.00	

QC Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Method: ASTM D1946 - Fixed Gases (Continued)

Lab Sample ID: 11L0162-BS1			Client Sample ID: Lab Control Sample						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0162			Prep Batch: 11L0162_P						
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
Carbon dioxide	0.2527	0.251		%(v/v)		99	80 - 120		
Methane	0.01266	0.0113		%(v/v)		89	80 - 120		
Oxygen	1.261	1.29		%(v/v)		102	80 - 120		

Lab Sample ID: 11L0162-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0162			Prep Batch: 11L0162_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
Carbon dioxide	0.2527	0.252		%(v/v)		100	80 - 120	0.1	20
Methane	0.01266	0.0112		%(v/v)		89	80 - 120	0.2	20
Oxygen	1.261	1.29		%(v/v)		102	80 - 120	0.008	20



QC Association Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

GCMS Volatiles

Analysis Batch: 11L0152

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0152-BLK1	Method Blank	Total	Air	EPA TO15 Modified	11L0152_P
11L0152-BS1	Lab Control Sample	Total	Air	EPA TO15 Modified	11L0152_P
11L0152-BSD1	Lab Control Sample Dup	Total	Air	EPA TO15 Modified	11L0152_P
LUL0251-01	TPE-1	Total	Air	EPA TO15 Modified	11L0152_P
LUL0251-02	TPE-1	Total	Air	EPA TO15 Modified	11L0152_P

Prep Batch: 11L0152_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0152-BLK1	Method Blank	Total	Air	MS-MED	
11L0152-BS1	Lab Control Sample	Total	Air	MS-MED	
11L0152-BSD1	Lab Control Sample Dup	Total	Air	MS-MED	
LUL0251-01	TPE-1	Total	Air	MS-MED	
LUL0251-02	TPE-1	Total	Air	MS-MED	

GC Volatiles

Analysis Batch: 11L0162

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0162-BLK1	Method Blank	Total	Air	ASTM D1946	11L0162_P
11L0162-BS1	Lab Control Sample	Total	Air	ASTM D1946	11L0162_P
11L0162-BSD1	Lab Control Sample Dup	Total	Air	ASTM D1946	11L0162_P
LUL0251-01	TPE-1	Total	Air	ASTM D1946	11L0162_P
LUL0251-02	TPE-1	Total	Air	ASTM D1946	11L0162_P

Prep Batch: 11L0162_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0162-BLK1	Method Blank	Total	Air	GC-D1946/3C	
11L0162-BS1	Lab Control Sample	Total	Air	GC-D1946/3C	
11L0162-BSD1	Lab Control Sample Dup	Total	Air	GC-D1946/3C	
LUL0251-01	TPE-1	Total	Air	GC-D1946/3C	
LUL0251-02	TPE-1	Total	Air	GC-D1946/3C	



Lab Chronicle

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Client Sample ID: TPE-1

Lab Sample ID: LUL0251-01

Date Collected: 12/21/11 10:00

Matrix: Air

Date Received: 12/21/11 18:35

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0152_P	12/21/11 18:35	JR	TAL LA
Total	Analysis	EPA TO15 Modified		10	11L0152	12/22/11 03:49	AD	TAL LA
Instrument ID: MSB								
Total	Prep	GC-D1946/3C		1.0	11L0162_P	12/21/11 18:35	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0162	12/22/11 19:07	EI	TAL LA
Instrument ID: GC8								

Client Sample ID: TPE-1

Lab Sample ID: LUL0251-02

Date Collected: 12/21/11 16:00

Matrix: Air

Date Received: 12/21/11 18:35

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0152_P	12/21/11 18:35	JR	TAL LA
Total	Analysis	EPA TO15 Modified		10	11L0152	12/22/11 04:34	TD	TAL LA
Instrument ID: MSB								
Total	Prep	GC-D1946/3C		1.0	11L0162_P	12/21/11 18:35	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0162	12/22/11 19:25	EI	TAL LA
Instrument ID: GC8								

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Certification Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Laboratory	Authority	Program	EPA Region	Certification ID
TestAmerica Los Angeles	Arizona	State Program	9	AZ0727
TestAmerica Los Angeles	Florida	NELAC	4	E87652
TestAmerica Los Angeles	L-A-B	DoD ELAP		L2273
TestAmerica Los Angeles	Louisiana	NELAC	6	01948
TestAmerica Los Angeles	New York	NELAC	2	11851
TestAmerica Los Angeles	Oregon	NELAC	10	CA200013

Accreditation may not be offered or required for all methods and analytes reported in this package. Please contact your project manager for the laboratory's current list of certified methods and analytes.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

Method Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Method	Method Description	Protocol	Laboratory
EPA TO15	Volatile Organic Compounds by GC/MS		TAL LA
Modified ASTM D1946	Fixed Gases		TAL LA

Protocol References:

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Sample Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0251

Lab Sample ID	Client Sample ID	Matrix	Collected	Received
LUL0251-01	TPE-1	Air	12/21/11 10:00	12/21/11 18:35
LUL0251-02	TPE-1	Air	12/21/11 16:00	12/21/11 18:35

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
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- 13**
- 14

Chain of Custody Record

LULLO251

TestAmerica Laboratories, Inc.

Client Contact			Project Manager: Cuscy Sanders Tel/Fax: 916.865.3125		Sampler: Val Pierce Lab Contact: Beth Ribey		Date: _____ Carrier: Val Pierce	
1410 Rocky Ridge Road, Suite 330 Roseville, CA 95661 916.865.3125 916.786.0366 Project Name: Arcos#202 Pilot Test Site: Arcos#202, Garden Grove P O # _____			Analysis Turnaround Time Calendar (C) or Work Days (W) <input type="checkbox"/> 2 weeks <input type="checkbox"/> 1 week <input type="checkbox"/> 2 days <input type="checkbox"/> 1 day TAT if different from below		Methane, oxygen and carbon dioxide by ASTM D1946 TPR-GRO, RTX, oys & ethanol by TOIS		Job No. of _____ COCs Job No. GP09BPNA.C056 SDG No. _____ Global ID: T0605901648	
Sample Identification	Canister Identification Number	Sample Date	Sample Time	Sample Type	Matrix	# of Con.	Notes	Sample Specific Notes:
1PE-1		12-21-14	1000	Gmb	Air	2	X	
1PE-1		12-21-14	1600	Gmb	Air	2	X	
Preservation Used: 1= Ice, 2= HCl, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other _____ Possible Hazard Identification <input type="checkbox"/> Non-Hazard <input type="checkbox"/> Flammable <input type="checkbox"/> Skin Irritant <input type="checkbox"/> Poison B <input type="checkbox"/> Unknown <input type="checkbox"/> Special Instructions/QC Requirements & Comments: _____								
Sample Disposal (A fee may be assessed if samples are retained longer than 1 month) <input type="checkbox"/> Return To Client <input checked="" type="checkbox"/> Deposit By Lab <input type="checkbox"/> Archive For _____ Months								

Relinquished by: <i>Flore</i>	Company: <i>Arcos</i>	Date/Time: 12/21/14	Received by: <i>OS</i>	Company: _____	Date/Time: _____
Relinquished by:	Company:	Date/Time:	Received by:	Company:	Date/Time: _____
Relinquished by:	Company:	Date/Time:	Received by:	Company:	Date/Time: _____

TestAmerica

THE LEADER IN ENVIRONMENTAL TESTING

ANALYTICAL REPORT

TestAmerica Laboratories, Inc.
TestAmerica Los Angeles
3585 Cadillac Avenue, Suite A
Costa Mesa, CA 92626
Tel: 714-258-8610

TestAmerica Job ID: LUL0270
Client Project/Site: GP09BPNA.C056
Client Project Description: ARCO 5202

For:
ARCADIS US Inc., Roseville
1410 Rocky Ridge Road, Suite 330
Roseville, CA 95661

Attn: Casey Sanders

Beth Riley

Authorized for release by:
1/5/2012 6:11:42 PM

Beth Riley
Customer Service Manager
beth.riley@testamericainc.com

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This report has been electronically signed and authorized by the signatory. Electronic signature is intended to be the legally binding equivalent of a traditionally handwritten signature.

Results relate only to the items tested and the sample(s) as received by the laboratory.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15



Table of Contents

Cover Page	1
Table of Contents	2
Definitions/Glossary	3
Case Narrative	4
Detection Summary	5
Client Sample Results	6
Surrogate Summary	8
QC Sample Results	9
QC Association Summary	12
Lab Chronicle	13
Certification Summary	14
Method Summary	15
Sample Summary	16
Chain of Custody	17
Field Data Sheets	18

Definitions/Glossary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Qualifiers

GCMS Volatiles

Qualifier	Qualifier Description
LW	Quantitated against gasoline.
CR	QC criteria not met, sample re-analyzed with similar results

Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
☼	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CNF	Contains no Free Liquid
DL, RA, RE, IN	Indicates a Dilution, Reanalysis, Re-extraction, or additional Initial metals/anion analysis of the sample
EDL	Estimated Detection Limit
EPA	United States Environmental Protection Agency
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
ND	Not detected at the reporting limit (or MDL or EDL if shown)
PQL	Practical Quantitation Limit
QC	Quality Control
RL	Reporting Limit
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)



Case Narrative

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Job ID: LUL0270

Laboratory: TestAmerica Los Angeles

Corrective Action Report

ID: 5924

Department: GCMS Volatiles

Method: EPA TO15 Modified

QC Batch: 11L0199

Date: 12/30/2011

Matrix: Air

Identification and Definition of Problem:

Due to scheduling constraints, the samples were transferred from their respective original air sample bag container to a passivated canister, to extend the sample holding time. All documentation associated with this transfer has been included with the report package.

Quality Assurance Approval by Maria Friedman on 01/03/2012 10:10 AM.



Detection Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Client Sample ID: TPE-3

Lab Sample ID: LUL0270-01

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	4.3		0.034	ppmv	8.6		EPA TO15 Modifier	Total
Ethylbenzene	2.0		0.034	ppmv	8.6		EPA TO15 Modifier	Total
Methyl tert-butyl ether (MTBE)	0.10		0.034	ppmv	8.6		EPA TO15 Modifier	Total
Toluene	2.5		0.034	ppmv	8.6		EPA TO15 Modifier	Total
GRO (C4-C12)	640	LW	8.6	ppmv	17		EPA TO15 Modifier	Total
m,p-Xylene	6.8		0.034	ppmv	8.6		EPA TO15 Modifier	Total
o-Xylene	2.0		0.034	ppmv	8.6		EPA TO15 Modifier	Total
Xylenes, total	8.9		0.034	ppmv	8.6		EPA TO15 Modifier	Total
Carbon dioxide	5.4		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	0.064		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	14		0.20	%(v/v)	1.0		ASTM D1946	Total

Client Sample ID: TPE-3

Lab Sample ID: LUL0270-02

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Benzene	0.74		0.036	ppmv	9.0		EPA TO15 Modifier	Total
Ethylbenzene	0.83		0.036	ppmv	9.0		EPA TO15 Modifier	Total
Methyl tert-butyl ether (MTBE)	0.21		0.036	ppmv	9.0		EPA TO15 Modifier	Total
Toluene	0.70		0.036	ppmv	9.0		EPA TO15 Modifier	Total
GRO (C4-C12)	420	LW	4.5	ppmv	9.0		EPA TO15 Modifier	Total
m,p-Xylene	4.4		0.036	ppmv	9.0		EPA TO15 Modifier	Total
o-Xylene	1.4		0.036	ppmv	9.0		EPA TO15 Modifier	Total
Xylenes, total	5.7		0.036	ppmv	9.0		EPA TO15 Modifier	Total
Carbon dioxide	4.4		0.010	%(v/v)	1.0		ASTM D1946	Total
Methane	0.032		0.00020	%(v/v)	1.0		ASTM D1946	Total
Oxygen	16		0.20	%(v/v)	1.0		ASTM D1946	Total

Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Client Sample ID: TPE-3

Lab Sample ID: LUL0270-01

Date Collected: 12/21/11 20:30

Matrix: Air

Date Received: 12/23/11 08:10

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS								
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	4.3		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
tert-Butyl alcohol	ND		0.43	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Ethanol	ND		0.43	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
tert-Amyl methyl ether (TAME)	ND		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Ethyl tert-butyl ether (ETBE)	ND		0.086	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Ethylbenzene	2.0		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Diisopropyl ether (DIPE)	ND		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Methyl tert-butyl ether (MTBE)	0.10		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Toluene	2.5		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
GRO (C4-C12)	640	LW	8.6	ppmv		12/29/11 17:09	12/30/11 11:22	17
m,p-Xylene	6.8		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
o-Xylene	2.0		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Xylenes, total	8.9		0.034	ppmv		12/29/11 17:09	12/30/11 08:47	8.6
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	122		70 - 130			12/29/11 17:09	12/30/11 08:47	8.6
1,2-Dichloroethane-d4	142	CR	70 - 130			12/29/11 17:09	12/30/11 08:47	8.6
Toluene-d8	102		70 - 130			12/29/11 17:09	12/30/11 08:47	8.6

Method: ASTM D1946 - Fixed Gases								
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	5.4		0.010	%(v/v)		12/23/11 08:10	12/23/11 14:26	1.0
Methane	0.064		0.00020	%(v/v)		12/23/11 08:10	12/23/11 14:26	1.0
Oxygen	14		0.20	%(v/v)		12/23/11 08:10	12/23/11 14:26	1.0

Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Client Sample ID: TPE-3

Lab Sample ID: LUL0270-02

Date Collected: 12/22/11 00:30

Matrix: Air

Date Received: 12/23/11 08:10

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS								
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	0.74		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
tert-Butyl alcohol	ND		0.45	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Ethanol	ND		0.45	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
tert-Amyl methyl ether (TAME)	ND		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Ethyl tert-butyl ether (ETBE)	ND		0.090	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Ethylbenzene	0.83		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Diisopropyl ether (DIPE)	ND		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Methyl tert-butyl ether (MTBE)	0.21		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Toluene	0.70		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
GRO (C4-C12)	420	LW	4.5	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
m,p-Xylene	4.4		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
o-Xylene	1.4		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Xylenes, total	5.7		0.036	ppmv		12/29/11 17:09	12/30/11 11:55	9.0
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	116		70 - 130			12/29/11 17:09	12/30/11 11:55	9.0
1,2-Dichloroethane-d4	130		70 - 130			12/29/11 17:09	12/30/11 11:55	9.0
Toluene-d8	105		70 - 130			12/29/11 17:09	12/30/11 11:55	9.0

Method: ASTM D1946 - Fixed Gases								
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	4.4		0.010	%(v/v)		12/23/11 08:10	12/23/11 14:43	1.0
Methane	0.032		0.00020	%(v/v)		12/23/11 08:10	12/23/11 14:43	1.0
Oxygen	16		0.20	%(v/v)		12/23/11 08:10	12/23/11 14:43	1.0

Surrogate Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Matrix: Air

Prep Type: Total

Lab Sample ID	Client Sample ID	Percent Surrogate Recovery (Acceptance Limits)		
		BFB (70-130)	chloroetha (70-130)	Toluene-d8 (70-130)
11L0199-BLK1	Method Blank	99	118	103
11L0199-BS1	Lab Control Sample	100	96	105
11L0199-BSD1	Lab Control Sample Dup	99	102	104
LUL0270-01	TPE-3	122	142 CR	102
LUL0270-02	TPE-3	116	130	105

Surrogate Legend

BFB = 4-Bromofluorobenzene

1,2-Dichloroethane-d4 = 1,2-Dichloroethane-d4

Toluene-d8 = Toluene-d8



QC Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Lab Sample ID: 11L0199-BLK1				Client Sample ID: Method Blank				
Matrix: Air				Prep Type: Total				
Analysis Batch: 11L0199				Prep Batch: 11L0199_P				
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
tert-Butyl alcohol	ND		0.050	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Ethanol	ND		0.050	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
tert-Amyl methyl ether (TAME)	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Ethyl tert-butyl ether (ETBE)	ND		0.010	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Ethylbenzene	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Diisopropyl ether (DIPE)	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Methyl tert-butyl ether (MTBE)	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Toluene	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
GRO (C4-C12)	ND		0.50	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
m,p-Xylene	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
o-Xylene	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00
Xylenes, total	ND		0.0040	ppmv		12/29/11 13:42	12/30/11 00:37	1.00

Surrogate	Blank %Recovery	Blank Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	99		70 - 130	12/29/11 13:42	12/30/11 00:37	1.00
1,2-Dichloroethane-d4	118		70 - 130	12/29/11 13:42	12/30/11 00:37	1.00
Toluene-d8	103		70 - 130	12/29/11 13:42	12/30/11 00:37	1.00

Lab Sample ID: 11L0199-BS1				Client Sample ID: Lab Control Sample				
Matrix: Air				Prep Type: Total				
Analysis Batch: 11L0199				Prep Batch: 11L0199_P				
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.
Benzene	0.05250	0.0533		ppmv		102	70 - 130	
Ethylbenzene	0.05000	0.0500		ppmv		100	70 - 130	
Methyl tert-butyl ether (MTBE)	0.05250	0.0527		ppmv		100	70 - 130	
Toluene	0.05250	0.0555		ppmv		106	70 - 130	
m,p-Xylene	0.1000	0.101		ppmv		101	70 - 130	
o-Xylene	0.05000	0.0484		ppmv		97	70 - 130	
Xylenes, total	0.1500	0.150		ppmv		100	70 - 130	

Surrogate	LCS %Recovery	LCS Qualifier	Limits
4-Bromofluorobenzene	100		70 - 130
1,2-Dichloroethane-d4	96		70 - 130
Toluene-d8	105		70 - 130

Lab Sample ID: 11L0199-BS1				Client Sample ID: Lab Control Sample				
Matrix: Air				Prep Type: Total				
Analysis Batch: 11L0199				Prep Batch: 11L0199_P				
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.
TPH as Gasoline	10.00	9.97		ppmv		100	70 - 130	

QC Sample Results

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS (Continued)

Lab Sample ID: 11L0199-BS1			Client Sample ID: Lab Control Sample						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0199			Prep Batch: 11L0199_P						
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.	
tert-Butyl alcohol	0.2500	0.240		ppmv		96	70 - 130		
Ethanol	0.2500	0.220		ppmv		88	70 - 130		
tert-Amyl methyl ether (TAME)	0.05000	0.0482		ppmv		96	70 - 130		
Ethyl tert-butyl ether (ETBE)	0.05000	0.0498		ppmv		100	70 - 130		
Diisopropyl ether (DIPE)	0.05000	0.0483		ppmv		97	70 - 130		

Lab Sample ID: 11L0199-BSD1			Client Sample ID: Lab Control Sample Dup							
Matrix: Air			Prep Type: Total							
Analysis Batch: 11L0199			Prep Batch: 11L0199_P							
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	RPD Limit	
Benzene	0.05250	0.0528		ppmv		101	70 - 130	0.9	25	
Ethylbenzene	0.05000	0.0510		ppmv		102	70 - 130	2	25	
Methyl tert-butyl ether (MTBE)	0.05250	0.0548		ppmv		104	70 - 130	4	25	
Toluene	0.05250	0.0561		ppmv		107	70 - 130	1	25	
m,p-Xylene	0.1000	0.100		ppmv		100	70 - 130	1	25	
o-Xylene	0.05000	0.0485		ppmv		97	70 - 130	0.2	25	
Xylenes, total	0.1500	0.149		ppmv		99	70 - 130	0.7	25	
Surrogate	LCS Dup %Recovery	LCS Dup Qualifier	Limits							
4-Bromofluorobenzene	99		70 - 130							
1,2-Dichloroethane-d4	102		70 - 130							
Toluene-d8	104		70 - 130							

Lab Sample ID: 11L0199-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0199			Prep Batch: 11L0199_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	RPD Limit
TPH as Gasoline	10.00	9.97		ppmv		100	70 - 130	0.04	25

Lab Sample ID: 11L0199-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0199			Prep Batch: 11L0199_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	RPD Limit
tert-Butyl alcohol	0.2500	0.230		ppmv		92	70 - 130	4	25
Ethanol	0.2500	0.216		ppmv		86	70 - 130	2	25
tert-Amyl methyl ether (TAME)	0.05000	0.0476		ppmv		95	70 - 130	1	25
Ethyl tert-butyl ether (ETBE)	0.05000	0.0482		ppmv		96	70 - 130	3	25
Diisopropyl ether (DIPE)	0.05000	0.0485		ppmv		97	70 - 130	0.5	25

Method: ASTM D1946 - Fixed Gases

Lab Sample ID: 11L0168-BLK1			Client Sample ID: Method Blank					
Matrix: Air			Prep Type: Total					
Analysis Batch: 11L0168			Prep Batch: 11L0168_P					
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Carbon dioxide	ND		0.010	%(v/v)		12/23/11 10:00	12/23/11 13:03	1.00

QC Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Method: ASTM D1946 - Fixed Gases (Continued)

Lab Sample ID: 11L0168-BLK1			Client Sample ID: Method Blank					
Matrix: Air			Prep Type: Total					
Analysis Batch: 11L0168			Prep Batch: 11L0168_P					
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Methane	ND		0.00020	%(v/v)		12/23/11 10:00	12/23/11 13:03	1.00
Oxygen	ND		0.20	%(v/v)		12/23/11 10:00	12/23/11 13:03	1.00

Lab Sample ID: 11L0168-BS1			Client Sample ID: Lab Control Sample					
Matrix: Air			Prep Type: Total					
Analysis Batch: 11L0168			Prep Batch: 11L0168_P					
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	
Carbon dioxide	0.2527	0.254		%(v/v)		101	80 - 120	
Methane	0.01266	0.0120		%(v/v)		95	80 - 120	
Oxygen	1.261	1.30		%(v/v)		103	80 - 120	

Lab Sample ID: 11L0168-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0168			Prep Batch: 11L0168_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
Carbon dioxide	0.2527	0.254		%(v/v)		101	80 - 120	0.1	20
Methane	0.01266	0.0120		%(v/v)		94	80 - 120	0.1	20
Oxygen	1.261	1.29		%(v/v)		102	80 - 120	0.4	20

QC Association Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

GCMS Volatiles

Analysis Batch: 11L0199

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0199-BLK1	Method Blank	Total	Air	EPA TO15 Modified	11L0199_P
11L0199-BS1	Lab Control Sample	Total	Air	EPA TO15 Modified	11L0199_P
11L0199-BSD1	Lab Control Sample Dup	Total	Air	EPA TO15 Modified	11L0199_P
LUL0270-01	TPE-3	Total	Air	EPA TO15 Modified	11L0199_P
LUL0270-02	TPE-3	Total	Air	EPA TO15 Modified	11L0199_P

Prep Batch: 11L0199_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0199-BLK1	Method Blank	Total	Air	MS-MED	
11L0199-BS1	Lab Control Sample	Total	Air	MS-MED	
11L0199-BSD1	Lab Control Sample Dup	Total	Air	MS-MED	
LUL0270-01	TPE-3	Total	Air	MS-MED	
LUL0270-02	TPE-3	Total	Air	MS-MED	

GC Volatiles

Analysis Batch: 11L0168

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0168-BLK1	Method Blank	Total	Air	ASTM D1946	11L0168_P
11L0168-BS1	Lab Control Sample	Total	Air	ASTM D1946	11L0168_P
11L0168-BSD1	Lab Control Sample Dup	Total	Air	ASTM D1946	11L0168_P
LUL0270-01	TPE-3	Total	Air	ASTM D1946	11L0168_P
LUL0270-02	TPE-3	Total	Air	ASTM D1946	11L0168_P

Prep Batch: 11L0168_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0168-BLK1	Method Blank	Total	Air	GC-D1946/3C	
11L0168-BS1	Lab Control Sample	Total	Air	GC-D1946/3C	
11L0168-BSD1	Lab Control Sample Dup	Total	Air	GC-D1946/3C	
LUL0270-01	TPE-3	Total	Air	GC-D1946/3C	
LUL0270-02	TPE-3	Total	Air	GC-D1946/3C	

Lab Chronicle

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Client Sample ID: TPE-3

Lab Sample ID: LUL0270-01

Date Collected: 12/21/11 20:30

Matrix: Air

Date Received: 12/23/11 08:10

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0199_P	12/29/11 17:09	AA	TAL LA
Total	Analysis	EPA TO15 Modified		17	11L0199	12/30/11 11:22	AD	TAL LA
		Instrument ID: MSB						
Total	Analysis	EPA TO15 Modified		8.6	11L0199	12/30/11 08:47	AD	TAL LA
		Instrument ID: MSB						
Total	Prep	GC-D1946/3C		1.0	11L0168_P	12/23/11 08:10	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0168	12/23/11 14:26	EI	TAL LA
		Instrument ID: GC8						

Client Sample ID: TPE-3

Lab Sample ID: LUL0270-02

Date Collected: 12/22/11 00:30

Matrix: Air

Date Received: 12/23/11 08:10

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0199_P	12/29/11 17:09	AA	TAL LA
Total	Analysis	EPA TO15 Modified		9.0	11L0199	12/30/11 11:55	AD	TAL LA
		Instrument ID: MSB						
Total	Prep	GC-D1946/3C		1.0	11L0168_P	12/23/11 08:10	EI	TAL LA
Total	Analysis	ASTM D1946		1.0	11L0168	12/23/11 14:43	EI	TAL LA
		Instrument ID: GC8						

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Certification Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Laboratory	Authority	Program	EPA Region	Certification ID
TestAmerica Los Angeles	Arizona	State Program	9	AZ0727
TestAmerica Los Angeles	Florida	NELAC	4	E87652
TestAmerica Los Angeles	L-A-B	DoD ELAP		L2273
TestAmerica Los Angeles	Louisiana	NELAC	6	01948
TestAmerica Los Angeles	New York	NELAC	2	11851
TestAmerica Los Angeles	Oregon	NELAC	10	CA200013

Accreditation may not be offered or required for all methods and analytes reported in this package. Please contact your project manager for the laboratory's current list of certified methods and analytes.



Method Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Method	Method Description	Protocol	Laboratory
EPA TO15	Volatile Organic Compounds by GC/MS		TAL LA
Modified ASTM D1946	Fixed Gases		TAL LA

Protocol References:

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Sample Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0270

Lab Sample ID	Client Sample ID	Matrix	Collected	Received
LUL0270-01	TPE-3	Air	12/21/11 20:30	12/23/11 08:10
LUL0270-02	TPE-3	Air	12/22/11 00:30	12/23/11 08:10



Los Angeles
3585 Cadillac Ave
Suite A
Costa Mesa, CA 92626
phone 714.258.8610 fax 714.258.0921

Chain of Custody Record

WL0270

TestAmerica
THE LEADER IN ENVIRONMENTAL TESTING

Client Contact
Project Manager: Casey Stauders
Tel/Fax: 916.865.3125
Analyst: Jeff Torn
Lab Contact: Beth Ribby

ARCADIS
1410 Rocky Ridge Road, Suite 330
Roseville, CA 95661

916.865.3125
916.788.0368
Project Name: Arcadis202 Pilot Test
Site: Arcadis202, Garden Grove
PO#

COC No: 1 of 1 COCs
Job No: GP088PNA-C056
SDG No:
Global ID: T0605901648

Date: 12/22/11
Carrier: Jeff Torn

Sample Identification: Influent 2
Container Identification Number: 281009116
Sample Date: 12/22/11
Sample Time: 0030
Sample Type: Grab
of Matrix Cont: 2

Sample Specific Notes:
Sample IDs
Changed per client email
12/23/11

Analysis Transmittal Time
Calendar (C) or Work Days (W)
TAT if different from below:
2 weeks
1 week
2 days
1 day

Sample Date: 12/22/11
Sample Time: 2030
Sample Type: Grab
of Matrix Cont: 2

Sample Date: 12/22/11
Sample Time: 0030
Sample Type: Grab
of Matrix Cont: 2

Sample Date: 12/23/11
Sample Time: 0810
Sample Type: Grab
of Matrix Cont: 2

Sample Date: 12/23/11
Sample Time: 0745
Sample Type: Grab
of Matrix Cont: 2

Received By: JAF
Received By: JAF
Received By: JAF
Received By: JAF

Company: ARCADIS
Company: ARCADIS
Company: ARCADIS
Company: ARCADIS

Date/Time: 12-22-11 1112
Date/Time: 12-22-11 1730
Date/Time: 12/23/11 0810
Date/Time: 12/23/11 0745

Special Instructions/QC Requirements & Comments:
Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)
 Return To Client Archive For _____ Months

LUL0270



CANISTER FIELD DATA RECORD

CLIENT: Arcadis
 CANISTER SERIAL #: A8890
 DATE CLEANED: _____
 CLIENT SAMPLE #: _____
 SITE LOCATION: _____

VFR ID: _____
 Duration of comp. : _____ Hrs. / mins.
 Flow setting: _____ ml/min
 Initials: _____

READING	TIME	Vac. (Inches Hg) Or PRESS. (psig)	DATE	INITIALS
INITIAL VACUUM CHECK				
INITIAL FIELD VACUUM				
FINAL FIELD READING				

LABORATORY CANISTER PRESSURIZATION				
INITIAL VACUUM (Inches Hg / PSIA (circle unit used))	14.16	12-23-11		<i>α</i>
FINAL PRESSURE (PSIA)	24.35	12-23-11		<i>α</i>

Pressurization Gas: _____

COMMENTS:	COMPOSITE TIME (HOURS)	FLOW RATE RANGE (ml/min)
		15 Min.
	30 Min.	158 - 166.7
	1	79.2 - 83.3
	2	39.6 - 41.7
	4	19.8 - 20.8
	6	13.2 - 13.9
	8	9.9 - 10.4
	10	7.92 - 8.3
	12	6.6 - 6.9
	24	3.5 - 4.0

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15

2



CANISTER FIELD DATA RECORD

CLIENT: Arcadi's
 CANISTER SERIAL #: A7004D
 DATE CLEANED: _____
 CLIENT SAMPLE #: _____
 SITE LOCATION: _____

VFR ID: _____
 Duration of comp. : _____ Hrs. / mins.
 Flow setting: _____ ml/min
 Initials: _____

READING	TIME	Vac. (Inches Hg) Or PRESS. (psig)	DATE	INITIALS
INITIAL VACUUM CHECK				
INITIAL FIELD VACUUM				
FINAL FIELD READING				

LABORATORY CANISTER PRESSURIZATION				
INITIAL VACUUM (Inches Hg / PSIA (circle unit used))	<u>14.36</u>	<u>12-23-11</u>	<u>α</u>	
FINAL PRESSURE (PSIA)	<u>25.96</u>	<u>12-23-11</u>	<u>α</u>	

Pressurization Gas: _____

COMMENTS:	COMPOSITE TIME (HOURS)	FLOW RATE RANGE (ml/min)
		15 Min.
	30 Min.	158 - 166.7
	1	79.2 - 83.3
	2	39.6 - 41.7
	4	19.8 - 20.8
	6	13.2 - 13.9
	8	9.9 - 10.4
	10	7.92 - 8.3
	12	6.6 - 6.9
	24	3.5 - 4.0

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15

TestAmerica

THE LEADER IN ENVIRONMENTAL TESTING

ANALYTICAL REPORT

TestAmerica Laboratories, Inc.
TestAmerica Los Angeles
3585 Cadillac Avenue, Suite A
Costa Mesa, CA 92626
Tel: 714-258-8610

TestAmerica Job ID: LUL0250
Client Project/Site: GP09BPNA.C056
Client Project Description: ARCO 5202

For:
ARCADIS US Inc., Roseville
1410 Rocky Ridge Road, Suite 330
Roseville, CA 95661

Attn: Casey Sanders

Beth Riley

Authorized for release by:
12/28/2011 12:41:16 PM

Beth Riley
Customer Service Manager
beth.riley@testamericainc.com

LINKS

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results through

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The
Expert**

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www.testamericainc.com

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This report has been electronically signed and authorized by the signatory. Electronic signature is intended to be the legally binding equivalent of a traditionally handwritten signature.

Results relate only to the items tested and the sample(s) as received by the laboratory.

1

2

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7

8

9

10

11

12

13

14



Table of Contents

Cover Page	1
Table of Contents	2
Definitions/Glossary	3
Case Narrative	4
Detection Summary	5
Client Sample Results	6
Surrogate Summary	7
QC Sample Results	8
QC Association Summary	10
Lab Chronicle	11
Certification Summary	12
Method Summary	13
Sample Summary	14
Chain of Custody	15

Definitions/Glossary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Qualifiers

GCMS Volatiles

Qualifier	Qualifier Description
LW	Quantitated against gasoline.

Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
☼	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CNF	Contains no Free Liquid
DL, RA, RE, IN	Indicates a Dilution, Reanalysis, Re-extraction, or additional Initial metals/anion analysis of the sample
EDL	Estimated Detection Limit
EPA	United States Environmental Protection Agency
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
ND	Not detected at the reporting limit (or MDL or EDL if shown)
PQL	Practical Quantitation Limit
QC	Quality Control
RL	Reporting Limit
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)

Case Narrative

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Job ID: LUL0250

Laboratory: TestAmerica Los Angeles

Corrective Action Report

ID: 5876

Department: Sample Control

Date: 12/22/2011

Identification and Definition of Problem:

Please note that EPA Method TO-15 describes the use of canisters for sampling and analysis. Use of air sample bags constitutes a modification to the method.

Quality Assurance Approval by Maria Friedman on 12/22/2011 08:28 AM.



Detection Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Client Sample ID: EFFLUENT

Lab Sample ID: LUL0250-01

Analyte	Result	Qualifier	RL	Unit	Dil Fac	D	Method	Prep Type
Toluene	0.020		0.0040	ppmv	1.0		EPA TO15 Modifier	Total

- 1
- 2
- 3
- 4
- 5**
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

Client Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Client Sample ID: EFFLUENT

Lab Sample ID: LUL0250-01

Date Collected: 12/21/11 10:15

Matrix: Air

Date Received: 12/21/11 18:35

Sample Container: Tedlar Bag 1L

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS									
Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac	
Benzene	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
tert-Butyl alcohol	ND		0.050	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Ethanol	ND		0.050	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
tert-Amyl methyl ether (TAME)	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Ethyl tert-butyl ether (ETBE)	ND		0.010	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Ethylbenzene	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Diisopropyl ether (DIPE)	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Methyl tert-butyl ether (MTBE)	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Toluene	0.020		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
GRO (C4-C12)	ND	LW	0.50	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
m,p-Xylene	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
o-Xylene	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Xylenes, total	ND		0.0040	ppmv		12/21/11 18:35	12/22/11 01:20	1.0	
Surrogate	%Recovery	Qualifier	Limits			Prepared	Analyzed	Dil Fac	
4-Bromofluorobenzene	103		70 - 130			12/21/11 18:35	12/22/11 01:20	1.0	
1,2-Dichloroethane-d4	92		70 - 130			12/21/11 18:35	12/22/11 01:20	1.0	
Toluene-d8	101		70 - 130			12/21/11 18:35	12/22/11 01:20	1.0	

Surrogate Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Matrix: Air

Prep Type: Total

Lab Sample ID	Client Sample ID	Percent Surrogate Recovery (Acceptance Limits)		
		BFB (70-130)	chloroetha (70-130)	Toluene-d8 (70-130)
11L0152-BLK1	Method Blank	97	103	102
11L0152-BS1	Lab Control Sample	99	104	103
11L0152-BSD1	Lab Control Sample Dup	100	104	101
LUL0250-01	EFFLUENT	103	92	101

Surrogate Legend

BFB = 4-Bromofluorobenzene
1,2-Dichloroethane-d4 = 1,2-Dichloroethane-d4
Toluene-d8 = Toluene-d8



QC Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS

Lab Sample ID: 11L0152-BLK1				Client Sample ID: Method Blank				
Matrix: Air				Prep Type: Total				
Analysis Batch: 11L0152				Prep Batch: 11L0152_P				
Analyte	Blank Result	Blank Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
tert-Butyl alcohol	ND		0.050	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Ethanol	ND		0.050	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
tert-Amyl methyl ether (TAME)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Ethyl tert-butyl ether (ETBE)	ND		0.010	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Ethylbenzene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Diisopropyl ether (DIPE)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Methyl tert-butyl ether (MTBE)	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Toluene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
GRO (C4-C12)	ND		0.50	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
m,p-Xylene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
o-Xylene	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00
Xylenes, total	ND		0.0040	ppmv		12/21/11 13:00	12/21/11 22:48	1.00

Surrogate	Blank %Recovery	Blank Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene	97		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00
1,2-Dichloroethane-d4	103		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00
Toluene-d8	102		70 - 130	12/21/11 13:00	12/21/11 22:48	1.00

Lab Sample ID: 11L0152-BS1				Client Sample ID: Lab Control Sample				
Matrix: Air				Prep Type: Total				
Analysis Batch: 11L0152				Prep Batch: 11L0152_P				
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.
Benzene	0.05250	0.0588		ppmv		112	70 - 130	
Ethylbenzene	0.05000	0.0509		ppmv		102	70 - 130	
Methyl tert-butyl ether (MTBE)	0.05250	0.0477		ppmv		91	70 - 130	
Toluene	0.05250	0.0525		ppmv		100	70 - 130	
m,p-Xylene	0.1000	0.101		ppmv		101	70 - 130	
o-Xylene	0.05000	0.0501		ppmv		100	70 - 130	
Xylenes, total	0.1500	0.151		ppmv		101	70 - 130	

Surrogate	LCS %Recovery	LCS Qualifier	Limits
4-Bromofluorobenzene	99		70 - 130
1,2-Dichloroethane-d4	104		70 - 130
Toluene-d8	103		70 - 130

Lab Sample ID: 11L0152-BS1				Client Sample ID: Lab Control Sample				
Matrix: Air				Prep Type: Total				
Analysis Batch: 11L0152				Prep Batch: 11L0152_P				
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	%Rec.
tert-Butyl alcohol	0.2500	0.228		ppmv		91	70 - 130	
Ethanol	0.2500	0.205		ppmv		82	70 - 130	
tert-Amyl methyl ether (TAME)	0.05000	0.0391		ppmv		78	70 - 130	
Ethyl tert-butyl ether (ETBE)	0.05000	0.0507		ppmv		101	70 - 130	
Diisopropyl ether (DIPE)	0.05000	0.0532		ppmv		106	70 - 130	

QC Sample Results

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Method: EPA TO15 Modified - Volatile Organic Compounds by GC/MS (Continued)

Lab Sample ID: 11L0152-BS1			Client Sample ID: Lab Control Sample					
Matrix: Air			Prep Type: Total					
Analysis Batch: 11L0152			Prep Batch: 11L0152_P					
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	Limits	
TPH as Gasoline	10.00	9.33		ppmv		93	70 - 130	

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
Benzene	0.05250	0.0611		ppmv		116	70 - 130	4	25
Ethylbenzene	0.05000	0.0517		ppmv		103	70 - 130	2	25
Methyl tert-butyl ether (MTBE)	0.05250	0.0504		ppmv		96	70 - 130	6	25
Toluene	0.05250	0.0543		ppmv		103	70 - 130	3	25
m,p-Xylene	0.1000	0.106		ppmv		106	70 - 130	4	25
o-Xylene	0.05000	0.0520		ppmv		104	70 - 130	4	25
Xylenes, total	0.1500	0.158		ppmv		105	70 - 130	4	25

Surrogate	LCS Dup %Recovery	LCS Dup Qualifier	Limits
4-Bromofluorobenzene	100		70 - 130
1,2-Dichloroethane-d4	104		70 - 130
Toluene-d8	101		70 - 130

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
tert-Butyl alcohol	0.2500	0.226		ppmv		90	70 - 130	1	25
Ethanol	0.2500	0.223		ppmv		89	70 - 130	9	25
tert-Amyl methyl ether (TAME)	0.05000	0.0386		ppmv		77	70 - 130	1	25
Ethyl tert-butyl ether (ETBE)	0.05000	0.0479		ppmv		96	70 - 130	6	25
Diisopropyl ether (DIPE)	0.05000	0.0521		ppmv		104	70 - 130	2	25

Lab Sample ID: 11L0152-BSD1			Client Sample ID: Lab Control Sample Dup						
Matrix: Air			Prep Type: Total						
Analysis Batch: 11L0152			Prep Batch: 11L0152_P						
Analyte	Spike Added	LCS Dup Result	LCS Dup Qualifier	Unit	D	%Rec	Limits	RPD	Limit
TPH as Gasoline	10.00	9.52		ppmv		95	70 - 130	2	25

QC Association Summary

Client: ARCADIS US Inc., Roseville
 Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250



GCMS Volatiles

Analysis Batch: 11L0152

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0152-BLK1	Method Blank	Total	Air	EPA TO15 Modified	11L0152_P
11L0152-BS1	Lab Control Sample	Total	Air	EPA TO15 Modified	11L0152_P
11L0152-BSD1	Lab Control Sample Dup	Total	Air	EPA TO15 Modified	11L0152_P
LUL0250-01	EFFLUENT	Total	Air	EPA TO15 Modified	11L0152_P

Prep Batch: 11L0152_P

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
11L0152-BLK1	Method Blank	Total	Air	MS-MED	
11L0152-BS1	Lab Control Sample	Total	Air	MS-MED	
11L0152-BSD1	Lab Control Sample Dup	Total	Air	MS-MED	
LUL0250-01	EFFLUENT	Total	Air	MS-MED	

Lab Chronicle

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Client Sample ID: EFFLUENT

Lab Sample ID: LUL0250-01

Date Collected: 12/21/11 10:15

Matrix: Air

Date Received: 12/21/11 18:35

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Prepared or Analyzed	Analyst	Lab
Total	Prep	MS-MED		1.0	11L0152_P	12/21/11 18:35	JR	TAL LA
Total	Analysis	EPA TO15 Modified		1.0	11L0152	12/22/11 01:20	AD	TAL LA

Instrument ID: MSB

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Certification Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Laboratory	Authority	Program	EPA Region	Certification ID
TestAmerica Los Angeles	Arizona	State Program	9	AZ0727
TestAmerica Los Angeles	Florida	NELAC	4	E87652
TestAmerica Los Angeles	L-A-B	DoD ELAP		L2273
TestAmerica Los Angeles	Louisiana	NELAC	6	01948
TestAmerica Los Angeles	New York	NELAC	2	11851
TestAmerica Los Angeles	Oregon	NELAC	10	CA200013

Accreditation may not be offered or required for all methods and analytes reported in this package. Please contact your project manager for the laboratory's current list of certified methods and analytes.



Method Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Method	Method Description	Protocol	Laboratory
EPA TO15 Modified	Volatile Organic Compounds by GC/MS		TAL LA

Protocol References:

Laboratory References:

TAL LA = TestAmerica Los Angeles, 3585 Cadillac Avenue, Suite A, Costa Mesa, CA 92626, TEL 714-258-8610



Sample Summary

Client: ARCADIS US Inc., Roseville
Project/Site: GP09BPNA.C056

TestAmerica Job ID: LUL0250

Lab Sample ID	Client Sample ID	Matrix	Collected	Received
LUL0250-01	EFFLUENT	Air	12/21/11 10:15	12/21/11 18:35

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13**
- 14

Los Angeles
5585 Cadillac Ave
Suite A

Costa Mesa, CA 92626
phone 714.258.8610 fax 714.258.0921

TestAmerica
THE LEADER IN ENVIRONMENTAL TESTING

TestAmerica Laboratories, Inc.

Chain of Custody Record

LUH0250

Client Contact		Project Manager: Casey Sanders Tel/Fax: 916.865.3125		Sampler: Beth Riley		Date: 12-21-11		COC No: _____ of _____ COCs	
14-10 Rocky Ridge Road, Suite 330 Roseville, CA 95661		Analysis Turnaround Time		Lab Contact: Beth Riley		Carrier: _____		Job No. GP08BPNA.C056	
916.865.3125		Calendar (C) or Work Days (W)		TAT if different from below		SDG No.		Global ID: T0605901648	
916.786.0366		2 weeks <input type="checkbox"/>		1 week <input type="checkbox"/>		2 days <input type="checkbox"/>		1 day <input type="checkbox"/>	
Project Name: Arcos202 Pilot Test		Sample Date		Sample Time		Sample Type		Matrix	
Site: Arcos202, Garden Grove		12-21-11		10:15		Grab		Air	
PO #		Sample Identification		Chamber Identification Number		Sample Time		Sample Type	
INELUENT-2		EFFLUENT		2		2		2	
Sample Identification		Chamber Identification Number		Sample Time		Sample Type		Matrix	
INELUENT-2		EFFLUENT		2		2		2	
Sample Specific Notes		Sample Specific Notes		Sample Specific Notes		Sample Specific Notes		Sample Specific Notes	
Added per email 12/22/11		Added per email 12/22/11		Added per email 12/22/11		Added per email 12/22/11		Added per email 12/22/11	
NO ASTM		NO ASTM		NO ASTM		NO ASTM		NO ASTM	
1946 for this sample		1946 for this sample		1946 for this sample		1946 for this sample		1946 for this sample	
12/22/11		12/22/11		12/22/11		12/22/11		12/22/11	
Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)		Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)		Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)		Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)		Sample Disposal (A fee may be assessed if samples are retained longer than 1 month)	
<input type="checkbox"/> Return To Client		<input type="checkbox"/> Return To Client		<input type="checkbox"/> Return To Client		<input type="checkbox"/> Return To Client		<input type="checkbox"/> Return To Client	
<input type="checkbox"/> Archive For _____ Months		<input type="checkbox"/> Archive For _____ Months		<input type="checkbox"/> Archive For _____ Months		<input type="checkbox"/> Archive For _____ Months		<input type="checkbox"/> Archive For _____ Months	
Preservation Used: 1= Ice, 2= HCl, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other		Preservation Used: 1= Ice, 2= HCl, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other		Preservation Used: 1= Ice, 2= HCl, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other		Preservation Used: 1= Ice, 2= HCl, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other		Preservation Used: 1= Ice, 2= HCl, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other	
Possible Hazard Identification		Possible Hazard Identification		Possible Hazard Identification		Possible Hazard Identification		Possible Hazard Identification	
<input type="checkbox"/> Non-Hazard		<input type="checkbox"/> Flammable		<input type="checkbox"/> Skin Irritant		<input type="checkbox"/> Poison B		<input type="checkbox"/> Unknown	
Special Instructions/QC Requirements & Comments:		Special Instructions/QC Requirements & Comments:		Special Instructions/QC Requirements & Comments:		Special Instructions/QC Requirements & Comments:		Special Instructions/QC Requirements & Comments:	
Relinquished by: _____		Relinquished by: _____		Relinquished by: _____		Relinquished by: _____		Relinquished by: _____	
Date/Time: _____		Date/Time: _____		Date/Time: _____		Date/Time: _____		Date/Time: _____	
Company: _____		Company: _____		Company: _____		Company: _____		Company: _____	
Relinquished by: _____		Relinquished by: _____		Relinquished by: _____		Relinquished by: _____		Relinquished by: _____	
Date/Time: _____		Date/Time: _____		Date/Time: _____		Date/Time: _____		Date/Time: _____	
Company: _____		Company: _____		Company: _____		Company: _____		Company: _____	

LABORATORY REPORT

Prepared For: ARCADIS U.S., Inc. - Seattle
320 Commerce, Suite 200
Irvine, CA 92602
Attention: Bobby Lu

Project: CA-1055, Garden Grove

Sampled: 12/13/11
Received: 12/14/11
Issued: 12/28/11 19:25

NELAP #01108CA California ELAP#2706 CSDLAC #10256 AZ #AZ0671 NV #CA01531

The results listed within this Laboratory Report pertain only to the samples tested in the laboratory. The analyses contained in this report were performed in accordance with the applicable certifications as noted. All soil samples are reported on a wet weight basis unless otherwise noted in the report. This Laboratory Report is confidential and is intended for the sole use of TestAmerica and its client. This report shall not be reproduced, except in full, without written permission from TestAmerica. The Chain of Custody, 1 page, is included and is an integral part of this report.

This entire report was reviewed and approved for release.

CASE NARRATIVE

SAMPLE RECEIPT: Samples were received intact, at 4°C, on ice and with chain of custody documentation.

HOLDING TIMES: All samples were analyzed within prescribed holding times and/or in accordance with the TestAmerica Sample Acceptance Policy unless otherwise noted in the report.

PRESERVATION: Samples requiring preservation were verified prior to sample analysis. Results were qualified where the sample container did not meet the method preservation requirements.

QA/QC CRITERIA: All analyses met method criteria, except as noted in the report with data qualifiers.

COMMENTS: As discussed with the client, no containers were received for the EPA 8015B-DRO analysis for all three samples, therefore, extra samples received in HCl preserved voa vials were used for extraction.

SUBCONTRACTED: No analyses were subcontracted to an outside laboratory.

LABORATORY ID	CLIENT ID	MATRIX
IUL1695-01	AMW-2	Water
IUL1695-02	AMW-6	Water
IUL1695-03	AMW-7	Water

Reviewed By:



TestAmerica Irvine

Pat Abe
Project Manager

ARCADIS U.S., Inc. - Seattle
 320 Commerce, Suite 200
 Irvine, CA 92602
 Attention: Bobby Lu

Project ID: CA-1055, Garden Grove

Report Number: IUL1695

Sampled: 12/13/11
 Received: 12/14/11

VOLATILE FUEL HYDROCARBONS (EPA 5030/8015)

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: IUL1695-01 (AMW-2 - Water)								
Reporting Units: ug/l								
GRO (C6 - C12)	EPA 8015 Mod.	11L3372	1000	1600	20	12/23/2011	12/24/2011	
Surrogate: 4-BFB (FID) (65-140%)				120 %				
Sample ID: IUL1695-02 (AMW-6 - Water)								
Reporting Units: ug/l								
GRO (C6 - C12)	EPA 8015 Mod.	11L3372	250	1100	5	12/23/2011	12/24/2011	
Surrogate: 4-BFB (FID) (65-140%)				303 %	LH.AY			
Sample ID: IUL1695-03 (AMW-7 - Water)								
Reporting Units: ug/l								
GRO (C6 - C12)	EPA 8015 Mod.	11L3372	5000	15000	100	12/23/2011	12/24/2011	
Surrogate: 4-BFB (FID) (65-140%)				137 %				

TestAmerica Irvine

Pat Abe
 Project Manager

The results pertain only to the samples tested in the laboratory. This report shall not be reproduced, except in full, without written permission from TestAmerica.

ARCADIS U.S., Inc. - Seattle
 320 Commerce, Suite 200
 Irvine, CA 92602
 Attention: Bobby Lu

Project ID: CA-1055, Garden Grove

Report Number: IUL1695

Sampled: 12/13/11
 Received: 12/14/11

EXTRACTABLE FUEL HYDROCARBONS (EPA 3510C/EPA 8015B)

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: IUL1695-01 (AMW-2 - Water)								DH
Reporting Units: ug/l								
DRO (C13 - C28)	EPA 8015B	11L2751	300	ND	6.1	12/20/2011	12/21/2011	
Surrogate: n-Octacosane (45-120%)				87 %				
Sample ID: IUL1695-02 (AMW-6 - Water)								DH
Reporting Units: ug/l								
DRO (C13 - C28)	EPA 8015B	11L2751	320	ND	6.41	12/20/2011	12/21/2011	
Surrogate: n-Octacosane (45-120%)				87 %				
Sample ID: IUL1695-03 (AMW-7 - Water)								
Reporting Units: ug/l								
DRO (C13 - C28)	EPA 8015B	11L2751	300	560	5.95	12/20/2011	12/21/2011	
Surrogate: n-Octacosane (45-120%)				82 %				

TestAmerica Irvine

Pat Abe
 Project Manager

The results pertain only to the samples tested in the laboratory. This report shall not be reproduced, except in full, without written permission from TestAmerica.

ARCADIS U.S., Inc. - Seattle
320 Commerce, Suite 200
Irvine, CA 92602
Attention: Bobby Lu

Project ID: CA-1055, Garden Grove

Report Number: IUL1695

Sampled: 12/13/11
Received: 12/14/11

BTEX/OXYGENATES by GC/MS (EPA 8260B)

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: IUL1695-01 (AMW-2 - Water)								
Reporting Units: ug/l								
Benzene	EPA 8260B	11L2178	5.0	270	10	12/16/2011	12/17/2011	
				<i>Surrogate: 4-Bromofluorobenzene (80-120%)</i>	103 %			
				<i>Surrogate: Dibromofluoromethane (80-120%)</i>	103 %			
				<i>Surrogate: Toluene-d8 (80-120%)</i>	98 %			
Sample ID: IUL1695-01RE1 (AMW-2 - Water)								
Reporting Units: ug/l								
Ethylbenzene	EPA 8260B	11L2178	1.0	6.2	2	12/16/2011	12/17/2011	
Toluene	EPA 8260B	11L2178	1.0	2.3	2	12/16/2011	12/17/2011	
m,p-Xylenes	EPA 8260B	11L2178	2.0	4.3	2	12/16/2011	12/17/2011	
o-Xylene	EPA 8260B	11L2178	1.0	ND	2	12/16/2011	12/17/2011	
Xylenes, Total	EPA 8260B	11L2178	3.0	4.8	2	12/16/2011	12/17/2011	
Di-isopropyl Ether (DIPE)	EPA 8260B	11L2178	10	ND	2	12/16/2011	12/17/2011	
Ethyl tert-Butyl Ether (ETBE)	EPA 8260B	11L2178	10	ND	2	12/16/2011	12/17/2011	
Methyl-tert-butyl Ether (MTBE)	EPA 8260B	11L2178	2.0	ND	2	12/16/2011	12/17/2011	
tert-Amyl Methyl Ether (TAME)	EPA 8260B	11L2178	10	ND	2	12/16/2011	12/17/2011	
tert-Butanol (TBA)	EPA 8260B	11L2178	50	ND	2	12/16/2011	12/17/2011	
Ethanol	EPA 8260B	11L2178	300	ND	2	12/16/2011	12/17/2011	
				<i>Surrogate: 4-Bromofluorobenzene (80-120%)</i>	105 %			
				<i>Surrogate: Dibromofluoromethane (80-120%)</i>	100 %			
				<i>Surrogate: Toluene-d8 (80-120%)</i>	99 %			
Sample ID: IUL1695-02 (AMW-6 - Water)								
Reporting Units: ug/l								
Benzene	EPA 8260B	11L2178	0.50	55	1	12/16/2011	12/17/2011	
Ethylbenzene	EPA 8260B	11L2178	0.50	14	1	12/16/2011	12/17/2011	
Toluene	EPA 8260B	11L2178	0.50	1.6	1	12/16/2011	12/17/2011	
m,p-Xylenes	EPA 8260B	11L2178	1.0	3.1	1	12/16/2011	12/17/2011	
o-Xylene	EPA 8260B	11L2178	0.50	ND	1	12/16/2011	12/17/2011	
Xylenes, Total	EPA 8260B	11L2178	1.5	3.1	1	12/16/2011	12/17/2011	
Di-isopropyl Ether (DIPE)	EPA 8260B	11L2178	5.0	ND	1	12/16/2011	12/17/2011	
Ethyl tert-Butyl Ether (ETBE)	EPA 8260B	11L2178	5.0	ND	1	12/16/2011	12/17/2011	
Methyl-tert-butyl Ether (MTBE)	EPA 8260B	11L2178	1.0	ND	1	12/16/2011	12/17/2011	
tert-Amyl Methyl Ether (TAME)	EPA 8260B	11L2178	5.0	ND	1	12/16/2011	12/17/2011	
tert-Butanol (TBA)	EPA 8260B	11L2178	25	ND	1	12/16/2011	12/17/2011	
Ethanol	EPA 8260B	11L2178	150	ND	1	12/16/2011	12/17/2011	
				<i>Surrogate: 4-Bromofluorobenzene (80-120%)</i>	105 %			
				<i>Surrogate: Dibromofluoromethane (80-120%)</i>	102 %			
				<i>Surrogate: Toluene-d8 (80-120%)</i>	99 %			

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Project Manager

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ARCADIS U.S., Inc. - Seattle
 320 Commerce, Suite 200
 Irvine, CA 92602
 Attention: Bobby Lu

Project ID: CA-1055, Garden Grove
 Report Number: IUL1695

Sampled: 12/13/11
 Received: 12/14/11

BTEX/OXYGENATES by GC/MS (EPA 8260B)

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: IUL1695-03 (AMW-7 - Water)								
Reporting Units: ug/l								
Ethylbenzene	EPA 8260B	11L2178	10	1500	20	12/16/2011	12/17/2011	
Surrogate: 4-Bromofluorobenzene (80-120%)				105 %				
Surrogate: Dibromofluoromethane (80-120%)				100 %				
Surrogate: Toluene-d8 (80-120%)				97 %				
Sample ID: IUL1695-03RE1 (AMW-7 - Water)								
Reporting Units: ug/l								
Benzene	EPA 8260B	11L2178	2.0	27	4	12/16/2011	12/17/2011	
Toluene	EPA 8260B	11L2178	2.0	6.6	4	12/16/2011	12/17/2011	
m,p-Xylenes	EPA 8260B	11L2178	4.0	1300	4	12/16/2011	12/17/2011	
o-Xylene	EPA 8260B	11L2178	2.0	6.0	4	12/16/2011	12/17/2011	
Xylenes, Total	EPA 8260B	11L2178	6.0	1300	4	12/16/2011	12/17/2011	
Di-isopropyl Ether (DIPE)	EPA 8260B	11L2178	20	ND	4	12/16/2011	12/17/2011	
Ethyl tert-Butyl Ether (ETBE)	EPA 8260B	11L2178	20	ND	4	12/16/2011	12/17/2011	
Methyl-tert-butyl Ether (MTBE)	EPA 8260B	11L2178	4.0	ND	4	12/16/2011	12/17/2011	
tert-Amyl Methyl Ether (TAME)	EPA 8260B	11L2178	20	ND	4	12/16/2011	12/17/2011	
tert-Butanol (TBA)	EPA 8260B	11L2178	100	ND	4	12/16/2011	12/17/2011	
Ethanol	EPA 8260B	11L2178	600	ND	4	12/16/2011	12/17/2011	
Surrogate: 4-Bromofluorobenzene (80-120%)				105 %				
Surrogate: Dibromofluoromethane (80-120%)				102 %				
Surrogate: Toluene-d8 (80-120%)				96 %				

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Sampled: 12/13/11
 Received: 12/14/11

METHOD BLANK/QC DATA

VOLATILE FUEL HYDROCARBONS (EPA 5030/8015)

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC %REC	%REC Limits	RPD	RPD Limit	Data Qualifiers
Batch: 11L3372 Extracted: 12/23/11										
Blank Analyzed: 12/24/2011 (11L3372-BLK1)										
GRO (C6 - C12)	ND	50	ug/l							
Surrogate: 4-BFB (FID)	8.55		ug/l	10.0		85	65-140			
LCS Analyzed: 12/24/2011 (11L3372-BS1)										
GRO (C6 - C12)	758	50	ug/l	800		95	80-120			
Surrogate: 4-BFB (FID)	19.0		ug/l	10.0		190	65-140			LH
Matrix Spike Analyzed: 12/24/2011 (11L3372-MS1)										
					Source: IUL1843-01					
GRO (C6 - C12)	553	50	ug/l	800	ND	69	65-140			
Surrogate: 4-BFB (FID)	16.3		ug/l	10.0		163	65-140			LH,AY
Matrix Spike Dup Analyzed: 12/24/2011 (11L3372-MSD1)										
					Source: IUL1843-01					
GRO (C6 - C12)	593	50	ug/l	800	ND	74	65-140	7	20	
Surrogate: 4-BFB (FID)	17.0		ug/l	10.0		170	65-140			LH,AY

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Sampled: 12/13/11
 Received: 12/14/11

METHOD BLANK/QC DATA

EXTRACTABLE FUEL HYDROCARBONS (EPA 3510C/EPA 8015B)

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Data Qualifiers
Batch: 11L2751 Extracted: 12/20/11										
Blank Analyzed: 12/20/2011 (11L2751-BLK1)										
DRO (C13 - C28)	ND	50	ug/l							
EFH (C10 - C28)	ND	50	ug/l							
Surrogate: n-Octacosane	158		ug/l	200		79	45-120			
LCS Analyzed: 12/20/2011 (11L2751-BS1)										
EFH (C10 - C28)	704	50	ug/l	1000		70	40-115			DU
Surrogate: n-Octacosane	156		ug/l	200		78	45-120			
LCS Dup Analyzed: 12/20/2011 (11L2751-BSD1)										
EFH (C10 - C28)	742	50	ug/l	1000		74	40-115	5	25	
Surrogate: n-Octacosane	165		ug/l	200		82	45-120			

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Sampled: 12/13/11
 Received: 12/14/11

METHOD BLANK/QC DATA

BTEX/OXYGENATES by GC/MS (EPA 8260B)

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC %REC	%REC Limits	RPD	RPD Limit	Data Qualifiers
Batch: 11L2178 Extracted: 12/16/11										
Blank Analyzed: 12/16/2011 (11L2178-BLK1)										
Benzene	ND	0.50	ug/l							
Ethylbenzene	ND	0.50	ug/l							
Toluene	ND	0.50	ug/l							
m,p-Xylenes	ND	1.0	ug/l							
o-Xylene	ND	0.50	ug/l							
Xylenes, Total	ND	1.5	ug/l							
Di-isopropyl Ether (DIPE)	ND	5.0	ug/l							
Ethyl tert-Butyl Ether (ETBE)	ND	5.0	ug/l							
Methyl-tert-butyl Ether (MTBE)	ND	1.0	ug/l							
tert-Amyl Methyl Ether (TAME)	ND	5.0	ug/l							
tert-Butanol (TBA)	ND	25	ug/l							
Ethanol	ND	150	ug/l							
Surrogate: 4-Bromofluorobenzene	25.9		ug/l	25.0		104	80-120			
Surrogate: Dibromofluoromethane	24.3		ug/l	25.0		97	80-120			
Surrogate: Toluene-d8	23.8		ug/l	25.0		95	80-120			
LCS Analyzed: 12/16/2011 (11L2178-BS1)										
Benzene	24.5	0.50	ug/l	25.0		98	70-120			
Ethylbenzene	25.3	0.50	ug/l	25.0		101	75-125			
Toluene	25.2	0.50	ug/l	25.0		101	70-120			
m,p-Xylenes	49.5	1.0	ug/l	50.0		99	75-125			
o-Xylene	24.5	0.50	ug/l	25.0		98	75-125			
Xylenes, Total	74.1	1.5	ug/l	75.0		99	70-125			
Di-isopropyl Ether (DIPE)	28.2	5.0	ug/l	25.0		113	60-135			
Ethyl tert-Butyl Ether (ETBE)	27.6	5.0	ug/l	25.0		111	65-135			
Methyl-tert-butyl Ether (MTBE)	27.3	1.0	ug/l	25.0		109	60-135			
tert-Amyl Methyl Ether (TAME)	28.1	5.0	ug/l	25.0		112	60-135			
tert-Butanol (TBA)	123	25	ug/l	125		99	70-135			
Ethanol	201	150	ug/l	250		80	40-155			
Surrogate: 4-Bromofluorobenzene	26.2		ug/l	25.0		105	80-120			
Surrogate: Dibromofluoromethane	24.3		ug/l	25.0		97	80-120			
Surrogate: Toluene-d8	24.3		ug/l	25.0		97	80-120			

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 Irvine, CA 92602
 Attention: Bobby Lu

Project ID: CA-1055, Garden Grove
 Report Number: IUL1695

Sampled: 12/13/11
 Received: 12/14/11

METHOD BLANK/QC DATA

BTEX/OXYGENATES by GC/MS (EPA 8260B)

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC %REC	%REC Limits	RPD	RPD Limit	Data Qualifiers
Batch: 11L2178 Extracted: 12/16/11										
Matrix Spike Analyzed: 12/16/2011 (11L2178-MS1)					Source: IUL1673-01					BZ
Benzene	25.5	0.50	ug/l	25.0	ND	102	65-125			
Ethylbenzene	25.8	0.50	ug/l	25.0	ND	103	65-130			
Toluene	26.0	0.50	ug/l	25.0	ND	104	70-125			
m,p-Xylenes	50.7	1.0	ug/l	50.0	ND	101	65-130			
o-Xylene	25.2	0.50	ug/l	25.0	ND	101	65-125			
Xylenes, Total	75.9	1.5	ug/l	75.0	ND	101	60-130			
Di-isopropyl Ether (DIPE)	29.3	5.0	ug/l	25.0	ND	117	60-140			
Ethyl tert-Butyl Ether (ETBE)	28.4	5.0	ug/l	25.0	ND	113	60-135			
Methyl-tert-butyl Ether (MTBE)	28.1	1.0	ug/l	25.0	0.500	110	55-145			
tert-Amyl Methyl Ether (TAME)	28.6	5.0	ug/l	25.0	ND	115	60-140			
tert-Butanol (TBA)	137	25	ug/l	125	ND	109	65-140			
Ethanol	208	150	ug/l	250	ND	83	40-155			
Surrogate: 4-Bromofluorobenzene	26.2		ug/l	25.0		105	80-120			
Surrogate: Dibromofluoromethane	24.0		ug/l	25.0		96	80-120			
Surrogate: Toluene-d8	24.5		ug/l	25.0		98	80-120			
Matrix Spike Dup Analyzed: 12/16/2011 (11L2178-MSD1)					Source: IUL1673-01					BZ
Benzene	24.7	0.50	ug/l	25.0	ND	99	65-125	3	20	
Ethylbenzene	25.6	0.50	ug/l	25.0	ND	103	65-130	0.5	20	
Toluene	25.4	0.50	ug/l	25.0	ND	101	70-125	3	20	
m,p-Xylenes	50.3	1.0	ug/l	50.0	ND	101	65-130	0.8	25	
o-Xylene	24.7	0.50	ug/l	25.0	ND	99	65-125	2	20	
Xylenes, Total	75.0	1.5	ug/l	75.0	ND	100	60-130	1	20	
Di-isopropyl Ether (DIPE)	28.9	5.0	ug/l	25.0	ND	116	60-140	1	25	
Ethyl tert-Butyl Ether (ETBE)	27.6	5.0	ug/l	25.0	ND	110	60-135	3	25	
Methyl-tert-butyl Ether (MTBE)	27.5	1.0	ug/l	25.0	0.500	108	55-145	2	25	
tert-Amyl Methyl Ether (TAME)	28.1	5.0	ug/l	25.0	ND	113	60-140	2	30	
tert-Butanol (TBA)	133	25	ug/l	125	ND	106	65-140	3	25	
Ethanol	220	150	ug/l	250	ND	88	40-155	6	30	
Surrogate: 4-Bromofluorobenzene	25.4		ug/l	25.0		101	80-120			
Surrogate: Dibromofluoromethane	24.0		ug/l	25.0		96	80-120			
Surrogate: Toluene-d8	24.1		ug/l	25.0		96	80-120			

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Sampled: 12/13/11
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DATA QUALIFIERS AND DEFINITIONS

BZ Sample preserved improperly
DH Reporting limits elevated due to insufficient sample quantity
DU Insufficient sample quantity for matrix spike/dup matrix spike
LH Surrogate recovery above the acceptance limits.
LH,AY Due to sample matrix effects, the surrogate recovery was outside acceptance limits
ND Analyte NOT DETECTED at or above the reporting limit or MDL, if MDL is specified.
RPD Relative Percent Difference

ADDITIONAL COMMENTS

For 8260 analyses:

Due to the high water solubility of alcohols and ketones, the calibration criteria for these compounds is <30% RSD.
The average % RSD of all compounds in the calibration is 15%, in accordance with EPA methods.

For Volatile Fuel Hydrocarbons (C6-C12):

Volatile Fuel Hydrocarbons (C6-C12) are quantitated against a gasoline standard.

For Extractable Fuel Hydrocarbons (EFH, DRO, ORO):

Unless otherwise noted, Extractable Fuel Hydrocarbons (EFH, DRO, ORO) are quantitated against a Diesel Fuel Standard.

8015 Analysis EDF Parlabel Cross Reference

Analyte	EDF Parlabel	Analyte	EDF Parlabel
DRO (C13 - C28)	DROC13C28	EFH (C10 - C28)	TPHC10C28
GRO (C6 - C12)	GROC6C12		

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IUL1695 <Page 10 of 11>

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Sampled: 12/13/11
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Certification Summary

TestAmerica Irvine

Method	Matrix	Nelac	California
EPA 8015 Mod.	Water	X	X
EPA 8015B	Water	X	X
EPA 8260B	Water	X	X

Nevada and NELAP provide analyte specific accreditations. Analyte specific information for TestAmerica may be obtained by contacting the laboratory or visiting our website at www.testamericainc.com

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IUL1695 <Page 11 of 11>

Chain of Custody Record

TestAmerica Laboratories, Inc.
COC No. _____ of _____ COCs

Client Contact ARCADIS 1410 Rocky Ridge Road, Suite 330 Roseville, CA 95661 916.865.3125 916.786.0366 Project Name: Arco#1055 Pilot Test Site: Arco#1055, Garden Grove P O # _____		Project Manager: Casey Saunders Tel/Fax: 916.865.3125 Analysis Turnaround Time Calendar (C) or Work Days (W) _____ TAT if different from below _____ <input checked="" type="checkbox"/> 2 weeks <input type="checkbox"/> 1 week <input type="checkbox"/> 2 days <input type="checkbox"/> 1 day		Sampler: Mario Ledesma Lab Contact: Pat Abe Date: _____ Carrier: Mario Ledesma		Job No. GP09BPNA.C057 SDG No. _____ Global ID: T0605900038 Sample Specific Notes: _____		
Sample Identification	Sample Date	Sample Time	Sample Type	Matrix	# of Cases	TPH-DRO by EPA 8015	TPH-GRO by EPA 8015	BTEX, MTBE, DIFE, ETBE, TAME and TBA by EPA 8260
AMW-2	12/13/11	0715	Grab	Water	8	X	X	X
AMW-6	1	0720	Grab	Water	8	X	X	X
AMW-7	1	0725	Grab	Water	8	X	X	X
Preservation Used: 1= Ice, 2= HCl; 3= H2SO4; 4=HNO3; 5=NaOH; 6= Other Possible Hazard Identification <input type="checkbox"/> Non-Hazard <input type="checkbox"/> Flammable <input type="checkbox"/> Skin Irritant <input type="checkbox"/> Poison B <input type="checkbox"/> Unknown								
Special Instructions/OC Requirements & Comments: _____								
Relinquished by: _____ Date/Time: _____			Received by: _____ Date/Time: 12/14/11			Company: ARCADIS Date/Time: 12/14/11 0835		

TR 12/15/11
1500

376



Appendix C

Field Notes

Site ID/Location:	Area 5202		
Technician Name:	Vol Flores, Maria Letima		
Date of Site Visit:	12-15-11		
Arrival Status:	OFF	Time:	0845
Departure Status:	OFF	Time:	1115

Comments:

- Reversed JIA and KHP
 - B-12 23.80 to water
 38.20 to bottom
 TP-2 23.80 to water
 31.15 to bottom
 TP-3 23.83 to water
 29.50 to bottom
 - After taking depth, Maria set transducers
 into monitoring wells
 - Called bf at departure

Comments: TPE 2: 3:00" TPE 3: 4.5" B-12: 34.00"

- Jeff Fari on site at 0650

- GFC site at 0730

12-21-11 - On site at 0630 - received Jeff

- Collected water samples every hour, TPE-1

Water sample at 1030, TPE ~~was~~ water sample
at 1130

- System down at 1115 - no more paper inside

tank started to gauge extension well and monitoring

as well at 1140 till 1216. informed BT

- System back up at 1222

- System back to temperature

- Paper made on site at 1455 - unit turned off for refueling

- Unit back ON at 1500

1800 - Jeff Fari onsite. Reviewed HASS, Tailgate form, scope of
work.

1830 - Called ED wall to confirm new scope of work
- began hauling free product from TPE-3

Comments:

1858 - Bailed approx. 3 gal of Free product + water. Free product in well is ~ 8.4 thickness. P02 technician says it OK to start pulling.

- Called P05 and updated him w/ status of pilot test. We are going to stop work and resume bailing if System Temp. reaches 200G

1905 - Began setting up Stinger and extraction from TPE-3

2010 - ~~Started~~ system and ~~slowly~~ placing stinger in well.

- SVE steady, Stinger is already drying up well.

- Collected vapor Start up sample. And began vapor pilot test collecting readings every hour for 4 hours.

- Called BT instructed to lower stinger a foot every hour till reads 29'

0030 - Call BT Took sample. Shut down test
- began taking recovery data for TPE-3.

Date:	STONER		DTW at Monitoring Well (feet)				Vacuum at Monitoring Well (in H ₂ O)				INFLUENT 1 (as possible)						
	Vacuum at Wellhead (in Hg)	Vacuum at Well Casing (in Hg)	TP2-2	TP2-3	B-12	TP2-2	TP2-3	B-12	Velocity [1" 7"] (fpm)	Vacuum (in Hg) 87	Temperature (°F)	PID Reading (ppmv)	Velocity [1" 7"] (fpm)	Vacuum (in Hg) 87	Temperature (°F)	PID Reading (ppmv)	
1030	22.5*	3.0	25.02	23.20	26.55	12.82	23.15	2.84	4381	7.0	74.2	183					
1130	22.0*	3.0	24.98	23.91	26.60	14.03	6.55	3.21	4112	4.0	74.0	244					
1230	22.8*	3.0	24.91	23.55	26.59	13.83	6.82	3.26	3552	4.0	74.4	383					
1330	6.6	3.2	24.82	24.51	26.54	13.61	6.97	4.08	4200	6.3	N/A	536					
1430	6.6	3.1	24.78	23.57	26.52	13.47	6.41	3.94	4.35	4.0	N/A	691					
1530	6.5	3.0	24.80	23.54	26.59	13.56	6.49	3.54	1.30	4.0	N/A	802					
1730	6.4	3.0	24.82	23.57	26.60	13.71	6.53	3.32	1.30	4.0	N/A	NR					
1830	6.2	3.2	24.88	23.60	26.60	13.64	6.50	3.75	1.30	4.0	N/A	NR					
1930	6.2	3.1	24.77	23.51	26.60	13.65	6.51	3.76	1.30	4.0	N/A	NR					
INFLUENT 2																	
Time	Percent Open	Percent Open	LRP Vacuum (fpm)	Velocity [2" 7"] (fpm)	Flow from fixed device (scfm)	Pressure (in H ₂ O)	Temperature (°F)	PID Reading (ppmv)	PID Reading (ppmv)	Oxidizer Temperature (°F)	Totalizer (gal)						
1030	0	0	21.9	1448	N/A	3.11	31.5	306	15.3	1781	496912						
1130	0	0	21.8	1453	N/A	3.04	134.5	859	18.0	1585	496926						
1230	0	0	22.0	1403	N/A	3.13	133.5	912		1584	496926						
1330	Parameters in these columns only need to be recorded every 3 hours.																
1430	0	0	22.0	1406	N/A	2.93	131.5	925		1561	496926						
1530	0	0	22.1	1466	N/A	2.97	129.7	1078	20.5	1569	496926						
1730	0	0	22.1	1521	N/A	2.99	124.5	1371	19.2	1569	496944						
1830				1407	N/A	3.00	124.1	1416									
1930				1461	N/A	3.05	124.2	1431									

PID Calibration Times:
 1030
 1130
 1230
 1330
 1430
 1530
 1730
 1830
 1930

*When you change the sensor (LRP, Vacuum) you should be

DATE:	TPE-1			DTW at Monitoring Well (feet)			Vacuum at Monitoring Well (in H ₂ O)			INFLUENT 1 (as possible)			
	Vacuum at Wellhead (in Hg)	Vacuum at Well Casing (in Hg)	DTW (feet)	TPE-2	TPE-3	B-12	TPE-2	TPE-3	B-12	Velocity (1" 2") (fpm)	Vacuum (in Hg)	Temperature (°F)	PID Reading (ppmv)
01020	6.3	3.2		24.89	23.58	26.61	13.66	6.52	3.77	1.33	4.0	N/A	N/A
0130	6.3	3.3		24.88	23.61	26.61	13.66	6.53	3.77	1.35	4.0	N/A	N/A
0230	6.4	3.5		24.89	23.63	26.62	13.67	6.53	3.78	1.36	4.0	N/A	N/A
0330	6.4	3.5		24.90	23.63	26.62	13.68	6.54	3.77	1.36	4.0	N/A	N/A
0430	6.4	3.4		24.90	23.63	26.62	13.61	6.51	3.76	1.35	4.1	N/A	N/A
0530	6.4	3.3		24.90	23.63	26.62	13.58	6.48	3.74	1.36	4.1	N/A	N/A
0630	6.4	3.3		24.90	23.63	26.62	13.53	6.47	3.78	1.36	4.1	N/A	N/A
0730	6.4	3.3		24.90	23.63	26.62	13.48	6.45	3.75	1.33	4.1	N/A	N/A
0830	6.4	3.3		24.90	23.63	26.62	13.46	6.39	3.74	1.32	4.1	N/A	N/A
0930	6.4	3.3		24.90	23.63	26.62	13.45	6.41	3.74	1.30	4.1	N/A	N/A
1030	6.4	3.3		24.90	23.63	26.62	13.38	6.42	3.82	1.32	4.1	N/A	N/A
INFLUENT 2													
Time	Percent Open	Percent Open	LFP Vacuum (fpm)	Velocity (2" 2") (fpm)	Flow from fixed device (scfm)	Pressure (in H ₂ O)	Temperature (°F)	PID Reading (ppmv)	PID Reading (ppmv)	Oxidizer Temperature (°F)	Totalizer (gal)	Temperature (°F)	PID Reading (ppmv)
2030	0	0	22.2	1482	N/A	3.07	124.5	1446	18.7	1513	496963		
2130				1476	N/A	3.05	124.5	1473	1				
2230				1483	N/A	3.05	124.8	1485					
Parameters in these columns only need to be recorded every 3 hours.													
0130	0	5	22.3	1473	N/A	3.05	124.8	1493	18.5	1542	496991		
0230				1461	N/A	3.04	125.3	1522					
0330				1451	N/A	3.08	125.3	1538					
0430	0	0	22.3	1438	N/A	3.08	125.5	1556	18.9	1515	497126		
0530				1431	N/A	3.06	125.1	1526					
0630				1437	N/A	3.06	124.9	1518					
Parameters in these columns only need to be recorded every 3 hours.													
0530	0	0	22.2	1430	N/A	3.05	124.3	1501	18.6	1503	477030		
0630				1441	N/A	3.07	125.1	1498					

*PE-3
at 2030*

DPE Pilot Test/PE Pilot Test

DATE:	TPE-1				DTW at Monitoring Well (feet)				Vacuum at Monitoring Well (in H ₂ O)				INFILTRANT 1 (as possible)			
	Vacuum at Wellhead (in Hg)	Vacuum at Well Casing (in Hg)	DTW (feet)	TP2-2	TP2-1 TP2-3	B-12	TP2-2	TP2-3	B-12	Velocity (1" 72) (gpm)	Vacuum (in Hg)	Temperature (°F)	TP2-2	TP2-3	Temperature (°F)	PID Reading (ppmv)
0730	6.2	3.1	NR	25.03	23.75	26.68	13.89	6.54	3.86	1.35	4.0	NR	NR	NR	NR	NR
0830	6.2	3.1	NR	25.01	23.78	26.66	13.83	6.50	3.83	1.39	4.0	NR	NR	NR	NR	NR
0930	6.2	3.1	NR	25.01	23.78	26.70	13.85	6.50	3.73	1.34	4.1	NR	NR	NR	NR	NR
1030	6.3	3.0	NR	25.04	23.75	26.75	13.86	6.47	3.70	1.25	4.0	NR	NR	NR	NR	NR
1230	6.3	2.9	NR	25.20	23.82	26.70	13.37	5.30	3.23	1.23	4.1	NR	NR	NR	NR	NR
1330	6.3	3.0	NR	24.97	23.71	26.66	13.97	5.55	3.87	1.30	4.0	NR	NR	NR	NR	NR
1430	6.3	3.0	NR	24.90	23.79	26.77	13.39	5.37	3.45	1.32	4.0	NR	NR	NR	NR	NR
1530	6.4	3.0	NR	24.93	23.80	26.69	13.91	5.57	3.53	1.25	4.0	NR	NR	NR	NR	NR
1630	10.0	7.0	NR	24.45	25.4	26.65	5.54	5.53	1.97	1.18	4.1	NR	NR	NR	NR	NR
1730	10.0	7.0	NR	24.48	25.5	26.78	5.28	5.31	1.86	1.3	4.1	NR	NR	NR	NR	NR
1830				24.50	25.6	26.75	4.95	5.03	1.71	1.3	4.1	NR	NR	NR	NR	NR
INFILTRANT 2																
Time	Percent Open	Percent Open	LRP Vacuum (fpm)	Velocity (2" 72) (gpm)	Flow from fixed device (scfm)	Pressure (in H ₂ O)	Temperature (°F)	PID Reading (ppmv)	PID Reading (ppmv)	Oxidizer Temperature (°F)	Totalizer (gal)	Temperature (°F)	PID Reading (ppmv)	Temperature (°F)	PID Reading (ppmv)	Temperature (°F)
0130				1271	N/A	3.18	117.3	944								
0830	0	0	22	1466	N/A	3.22	127.9	1046	22.8		437068					
0930				1432	N/A	3.24	131.1	1077								
1030	Parameters in these columns only need to be recorded every 3 hours.															
1230	0	0	22.2	1595	N/A	3.25	127.3	1080	18.6	1503	497080					
1330				1784	N/A	3.27	129.4	1104								
1430				1649	N/A	3.24	127.3	871								
1530				1416	N/A	3.25	122.8	795	17.3	1504	497080					
1630	0	0	22.2	1520	N/A	3.27	125.6	1760	18.7	1500	497110					
1730				1581	N/A	3.23	125.8	1788								

*Final make for TPE-1
KODTS*

*02/20
* System Restart 1599 N/A TPE 2:24 125.9 1741 17.9 1510 497133 empty*

DATE:		TPE-1				DTW at Monitoring Well (feet)				Vacuum at Monitoring Well (in H ₂ O)				INFLUENT 1 (as possible)			
Time	Vacuum at Wellhead (in Hg)	Vacuum at Well Casing (in Hg)	DTW (feet)	TPE-2	TPE-3	B-12	TPE-2	TPE-3	B-12	Velocity (1" 7") (fpm)	Vacuum (in Hg)	Temperature (°F)	PID Reading (ppmv)	Velocity (1" 7") (fpm)	Vacuum (in Hg)	Temperature (°F)	PID Reading (ppmv)
0330	10	7.0	NR	24.50	25.60	26.75	476	5.01	1.68	1.30	4.1	NR	NR				
0530	10	7.0	NR	24.51	25.61	26.78	479	4.82	1.65	1.26	4.1	NR	NR				
0030	0	0	02.1	1551	NA	3.23	125.9	1551	17.9		477.56						
Parameters in these columns only need to be recorded every 3 hours.																	
Parameters in these columns only need to be recorded every 3 hours.																	
Parameters in these columns only need to be recorded every 3 hours.																	

* END TEST

← 497189.51
Final

Los Angeles
 3185 Cordille Ave
 Suite A
 Costa Mesa, CA 92626
 phone 714.238.8610 fax 714.238.0921

Chain of Custody Record

TestAmerica
 LABORATORY TESTING

Client Contact
 ARCADIS
 1410 Rocky Ridge Road, Suite 330
 Roseville, CA 95661
 916.865.3125
 916.786.0386

Project Manager: Casey Sanders
Tel/Fax: 916.865.3125

Project Name: Arcoc#5202 Pilot Test
Site: Arcoc#5202, Garden Grove
P O #

Project Manager: Casey Sanders
Tel/Fax: 916.865.3125

Analyzer Turnaround Time
 Calendar (C) or Work Days (W)
 2 weeks
 1 week
 2 days
 1 day
 TAT if different from above: _____

Sample Identification
 Sample Date: 12-21-11
 Sample Time: 1600
 Sample Type: Grab
 Matrix: Air
 # of Cans: 2

Sample Identification	Carrier Identification Number	Sample Date	Sample Time	Sample Type	Matrix	# of Cans	Lab Contact: Beth Riley	Date:	Carrier: Val Turpe	COG No. of _____	Job No. GP595FNA 0056	SDS No. Global ID: 70605907648	Sample Specific Notes:
TPB-1		12-21-11	1600	Grab	Air	2	TPB-GRO, BTEX, oxa & ethanol by TO15						
TPB-1		12-21-11	1600	Grab	Air	2	Methane, oxygen and carbon dioxide by ASTM D1946						

Preservation Used: 1= Ice, 2= HCI, 3= H2SO4, 4= HNO3, 5= NaOH, 6= Other _____

Possible Hazard Identification
 Non-Hazard Flammable Skin Irritant Poison B Unknown

Special Instructions/ QC Requirements & Comments:

Received by: [Signature] Date: 12/21/11
Received by: [Signature] Date: 12/21/11

Relinquished by: [Signature] Company: ARCADIS Date: 12/21/11
Relinquished by: [Signature] Company: ARCADIS Date: 12/21/11

Relinquished by: [Signature] Company: ARCADIS Date: 12/21/11
Relinquished by: [Signature] Company: ARCADIS Date: 12/21/11

Relinquished by: [Signature] Company: ARCADIS Date: 12/21/11

Los Angeles
 3585 Cordline Ave
 Suite A
 Costa Mesa, CA 92626
 phone 714.258.8610 fax 714.258.0921

Chain of Custody Record

TestAmerica
 THE LEADER IN ENVIRONMENTAL TESTING

Client Contact
 Project Manager: Cheryl Sanders
 Tel/Fax: 916.865.3125

Sampler: Bob Sauer

Date: 12-20-11

Lab Contact: Beth Riley
 Date: 12-20-11
 COC No: 1 of 1
 Job No. GP08BPNVA.0055

ARCADIS
 1410 Rocky Ridge Road, Suite 330
 Roseville, CA 95661
 916.865.3125

Analysis Turnaround Time
 Calendar (C) or Work Days (W)
 TAT if different from below

SDG No.
 Global ID: T8605901648

916.786.0366
 Project Name: Arcadis202 Pilot Test
 Site: Arcadis202, Garden Grove
 P O #

2 weeks
 1 week
 2 days
 1 day

Sample Identification

Sample Date

Sample Type

Matrix

Vol

Canister Identification Number

Sample Date

Sample Type

Matrix

Vol

TR E-1

12-20-11 11:00

Grab

Air

2

TR E-1

12-20-11 13:00

Grab

Air

2

TR E-1

12-20-11 18:00

Grab

Air

2

Preservation Used: 1=Ice, 2=HCl, 3=H2SO4, 4=HNO3, 5=N/OH, 6=Other
 Possible Hazard Identification
 Non-Hazard Flammable Skin Irritant Poison B Unknown

Sample Disposal (A fee may be assessed if samples are retained longer than 7 months)
 Return To Client Disposal By Lab Archive For _____ Months

Special Instructions/OC Requirements & Comments:

Relinquished by:	Company:	Date/Time:	Received by:	Company:	Date/Time:
<i>Cheryl Sanders</i>	ARCADIS	12/20/11 07:55	<i>Beth Riley</i>	TEST	12/20/11 07:55
Relinquished by:	Company:	Date/Time:	Received by:	Company:	Date/Time:
Relinquished by:	Company:	Date/Time:	Received by:	Company:	Date/Time:

PT



Appendix D

Waste Manifest and Shipping
Documentation

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator ID Number CAL000261042	2. Page 1 of 1	3. Emergency Response Phone 800-424-9300	4. Manifest Tracking Number 004234078 FLE		
5. Generator's Name and Mailing Address BP West Coast Products, LLC P.O. Box 80249 Rancho Santa Margarita, CA 92688 Generator's Phone: 949-460-5200				Generator's Site Address (if different than mailing address) 05202 12502 HARBOR BOULEVARD GARDEN GROVE, CA 92840			
6. Transporter 1 Company Name NIETO & SONS TRUCKING, INC.					U.S. EPA ID Number CAT080016116		
7. Transporter 2 Company Name					U.S. EPA ID Number		
8. Designated Facility Name and Site Address DeMenno Kerdoon 2000 N. Alameda St. Compton, CA 90222 Facility's Phone: 310-537-7100					U.S. EPA ID Number CAT090013352		
9a. HM	9b. U.S. DOT Description (including Proper Shipping Name, Hazard Class, ID Number, and Packing Group (if any))	10. Containers		11. Total Quantity	12. Unit Wt./Vol.	13. Waste Codes	
		No.	Type				
X	UN1203, Gasoline Mixture, 3, PG II	001	TT	300	G	134	
14. Special Handling Instructions and Additional Information ERG#: 128 Gasoline & Water WEAR ALL APPROPRIATE PERSONAL PROTECTIVE EQUIPMENT. BEST: 200205 BELSHIRE CCN: 205882 BP CCN: 205883							
15. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. If export shipment and I am the Primary Exporter, I certify that the contents of this consignment conform to the terms of the attached EPA Acknowledgment of Consent. I certify that the waste minimization statement identified in 40 CFR 262.27(a) (if I am a large quantity generator) or (b) (if I am a small quantity generator) is true.							
Generator's/Offoror's Printed/Typed Name EMILY LEAMON					Signature 		Month Day Year 12 22 11
On behalf of BP West Coast Products, LLC							
16. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit: _____ Date leaving U.S.: _____							
17. Transporter Acknowledgment of Receipt of Materials							
Transporter 1 Printed/Typed Name Ron Rodriguez					Signature 		Month Day Year 12 22 11
Transporter 2 Printed/Typed Name					Signature		Month Day Year
18. Discrepancy							
18a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection							
18b. Alternate Facility (or Generator)					Manifest Reference Number: _____ U.S. EPA ID Number _____		
Facility's Phone: _____							
18c. Signature of Alternate Facility (or Generator)					Month Day Year		
19. Hazardous Waste Report Management Method Codes (i.e., codes for hazardous waste treatment, disposal, and recycling systems)							
1.		2.		3.		4.	
20. Designated Facility Owner or Operator: Certification of receipt of hazardous materials covered by the manifest except as noted in Item 18b							
Printed/Typed Name SOPHIA P. SUAY					Signature 		Month Day Year 12 23 11

Subject: Re: Site "C" Meeting Update
From: Maria Parra <mariap@ci.garden-grove.ca.us>
Date: Wed, 17 Jun 2015 08:46:39 -0700 (PDT)
To: matt reid <matt.reid@landanddesign.com>

Hi Matt,

I am e-mailing to confirm your attendance at tomorrow's scheduled Site "C" update meeting to discuss the pending items from the last meeting (see e-mail below). If additional time is required to gather the requested information, please let me know, and I can reschedule the meeting.

Best regards,

Maria Parra

Urban Planner
City of Garden Grove | Planning Services Division
11222 Acacia Parkway, Garden Grove, CA 92840
(714) 741-5312 | (714) 741-5578 fax
mariap@ci.garden-grove.ca.us | www.ci.garden-grove.ca.us

Community Development Department of the City of Garden Grove
"Providing Quality Services Through Creativity and Collaboration"

City Hall Hours:

Monday-Thursday: 7:30 a.m. to 5:30 p.m.
First Friday of the Month: 7:30 a.m. to 5:00 p.m.

Direct Website Links:

[Planning Division](#)
[Municipal Code, Title 9, Land Use](#)
[Zoning Map](#)

From: "Maria Parra" <mariap@ci.garden-grove.ca.us>
To: "Susan Emery" <susan1@ci.garden-grove.ca.us>, "Karl Hill" <karlh@ci.garden-grove.ca.us>, "James H. Eggart" <jeggart@wss-law.com>, "matt reid" <matt.reid@landanddesign.com>, zkhan@langdonwilson.com, "Greg Blodgett" <greg1@ci.garden-grove.ca.us>
Sent: Friday, June 5, 2015 2:30:48 PM
Subject: Site "C" Meeting Update

All:

The next scheduled project update meeting is June 18, 2015 at 10 a.m. in the Planning Conference Room at City Hall.

Below is a summary of the discussion:

L&D will:

- provide city staff with copies of sign ordinances from cities that have adopted sign regulations similar to the signs proposed
- discuss the potential environmental issues associated with the proposed signs with an environmental consultant
- provide city staff with a new project description and plans showing the proposed site and building design noting the changes from the approved sign (see attached rendering). Staff will discuss the changes with the environmental consultant, Janya Morgan from AECOM, to determine if the proposed scope will not create new impacts that were not addressed in the environmental study
- L&D to contract with AECOM for the necessary environmental review

Greg Blodgett will:

- provide traffic counts to L&D, along with the development impact fees

Other approvals necessary:

- Tentative tract map
- Development agreement
- Code amendment for the proposed LED signs
- Environmental review for the sign amendment (L&D)
- If necessary, new environmental review if the new project scope was not addressed in the approved environmental study (L&D will contract with AECOM)

If additional information needs to be included, please let me know.

Best regards,

Maria Parra

Urban Planner

City of Garden Grove | Planning Services Division

11222 Acacia Parkway, Garden Grove, CA 92840

(714) 741-5312 | (714) 741-5578 fax

mariap@ci.garden-grove.ca.us | www.ci.garden-grove.ca.us

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Direct Website Links:

[Planning Division](#)

[Municipal Code, Title 9, Land Use](#)

[Zoning Map](#)

Subject: Re: GG REstaurant Sales Tax Report
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Sun, 21 Jun 2015 06:27:05 -1000
To: Greg Blodgett <greg1@ci.garden-grove.ca.us>

How about 4-7?

Sent from my iPhone

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91941

619.567.2447 x101 office

858.735.1858 cell

619.489.3669 efax

Skype - [matthew.reid.ca](https://www.skype.com/people/matthew.reid.ca)

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jun 21, 2015, at 4:06 AM, Greg Blodgett <greg1@ci.garden-grove.ca.us> wrote:

Number one is outback two red Robbin
Three Bucca Number four Joe's Crab Shack

Sent from my iPhone

On Jun 21, 2015, at 12:04 AM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Greg,

Can you tell me which restaurants correspond to the chart? Restaurant #1 = ? (Joes Crab Shack?), etc...

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91942

858.735.1858 cell

Skype - [matthew.reid.ca](https://www.skype.com/people/matthew.reid.ca)

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Dec 19, 2014, at 12:02 PM, Grace Lee <gracel@ci.garden-grove.ca.us> wrote:

Here's an updated version.

lol let me see what I can do...

Grace E. Lee

Sr. Economic Development Specialist
City of Garden Grove | Economic Development Division
11222 Acacia Parkway, Garden Grove, CA 92840
Tel. 714.741.5130 | Fax (714) 741-5205

From: "Matthew Reid" <matt.reid@landanddesign.com>
To: "Grace Lee" <gracel@ci.garden-grove.ca.us>
Cc: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>
Sent: Friday, December 19, 2014 1:55:35 PM
Subject: Re: GG REstaurant Sales Tax Report

would you be willing to share?? :-)

Matthew Reid

Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
619.567.2447 x101 **office**
858.735.1858 **cell**
619.489.3669 **efax**
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Dec 19, 2014, at 1:54 PM, Grace Lee <gracel@ci.garden-grove.ca.us> wrote:

Hi Matt,
Yes we know which restaurants they represent.

Grace E. Lee

Sr. Economic Development Specialist
City of Garden Grove | Economic Development Division
11222 Acacia Parkway, Garden Grove, CA 92840
Tel. 714.741.5130 | Fax (714) 741-5205

From: "Matthew Reid" <matt.reid@landanddesign.com>

To: "Grace Lee" <gracel@ci.garden-grove.ca.us>
Cc: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>
Sent: Friday, December 19, 2014 1:44:40 PM
Subject: Re: GG REstaurant Sales Tax Report

Thanks!!!! Just so I understand, do you know which restaurants these represent?

Matthew Reid

Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
619.567.2447 x101 **office**
858.735.1858 **cell**
619.489.3669 **efax**
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Dec 19, 2014, at 1:42 PM, Grace Lee <gracel@ci.garden-grove.ca.us> wrote:

Hi Matt,
Per Greg Blodgett, please find attached a report comparing our restaurants in the hotel district.

Grace E. Lee

Sr. Economic Development Specialist
City of Garden Grove | Economic Development Division
11222 Acacia Parkway, Garden Grove, CA 92840
Tel. 714.741.5130 | Fax (714) 741-5205

<Restaurant Sales Tax Revenue.pdf>

<Restaurant Sales Tax Revenue.pdf>

Subject: Re: Grove District Restaurant Sales
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Sun, 21 Jun 2015 15:35:38 -1000
To: Greg Blodgett <greg1@ci.garden-grove.ca.us>
CC: "Grace E. Lee" <gracel@ci.garden-grove.ca.us>

Thanks!

Sent from my iPhone

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91941

619.567.2447 x101 office

858.735.1858 cell

619.489.3669 efax

Skype - matthew.reid.ca

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jun 21, 2015, at 8:08 AM, Greg Blodgett <greg1@ci.garden-grove.ca.us> wrote:

On Graces Chart Oggies Pizza is listed first opened in 2008 will confirm names monday

----- Forwarded Message -----

From: "Grace Lee" <gracel@ci.garden-grove.ca.us>

To: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>

Sent: Tuesday, April 30, 2013 4:53:55 PM

Subject: RE: Grove District Restaurant Sales

Grace E. Lee

City of Garden Grove

Economic Development Division | Finance D epartment

11222 Acacia Parkway

Garden Grove, CA 92840

Tel. 714.741.51 30

<Apr30-165325.pdf>

Subject: Fwd: Message from "ricoh106"
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Mon, 22 Jun 2015 08:21:49 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: katrenas@ci.garden-grove.ca.us
To: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>
Sent: Monday, June 22, 2015 7:58:04 AM
Subject: Message from "ricoh106"

This E-mail was sent from "ricoh106" (Aficio MP 6001).

Scan Date: 06.22.2015 07:58:03 (-0700)
Queries to: katrenas@ci.garden-grove.ca.us

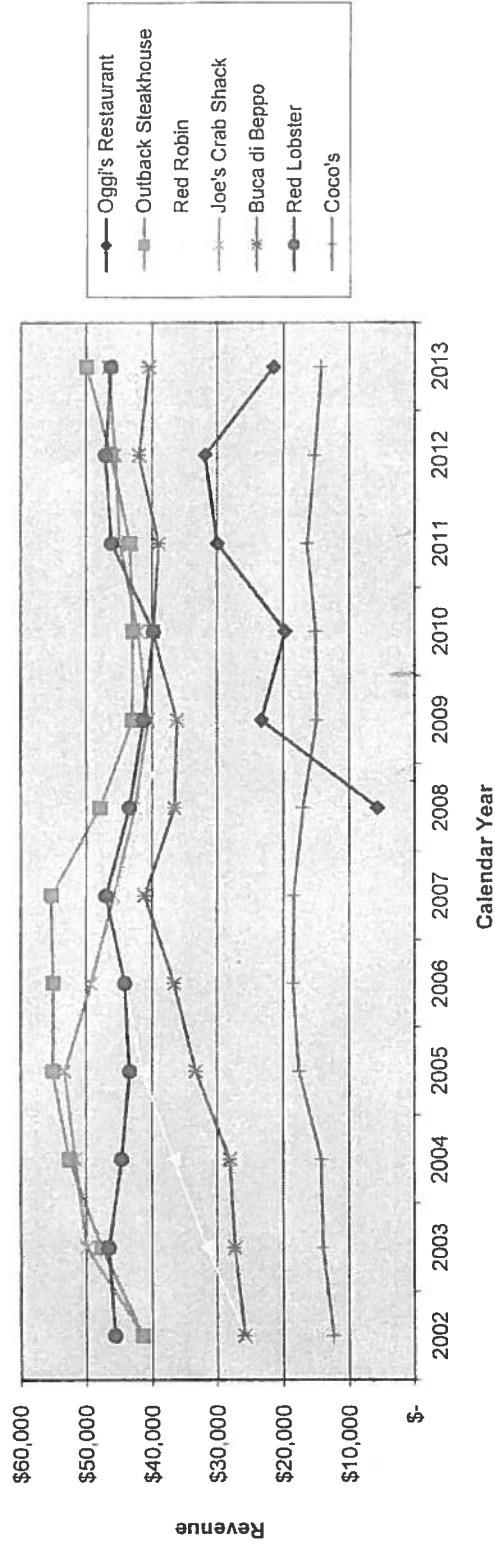
20150622075804005.pdf

Content-Type: application/pdf
Content-Encoding: base64

Grove District Restaurant Sales Tax Revenue

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Oggi's Restaurant							\$ 5,711	\$ 23,401	\$ 19,763	\$ 30,022	\$ 31,883	\$ 21,517
Outback Steakhouse	\$ 41,544	\$ 47,673	\$ 52,682	\$ 55,190	\$ 55,054	\$ 55,416	\$ 47,966	\$ 43,076	\$ 42,987	\$ 43,379	\$ 46,313	\$ 49,918
Red Robin	\$ 25,752	\$ 31,587	\$ 36,665	\$ 41,440	\$ 44,037	\$ 45,056	\$ 42,089	\$ 36,528	\$ 39,158	\$ 39,213	\$ 41,451	\$ 43,140
Joe's Crab Shack	\$ 41,334	\$ 49,961	\$ 51,778	\$ 53,380	\$ 49,354	\$ 45,943	\$ 42,666	\$ 40,683	\$ 42,204	\$ 44,976	\$ 45,714	\$ 46,682
Buca di Beppo	\$ 25,867	\$ 27,342	\$ 28,141	\$ 33,316	\$ 36,682	\$ 41,189	\$ 36,613	\$ 36,233	\$ 39,904	\$ 39,032	\$ 42,054	\$ 40,591
Red Lobster	\$ 45,719	\$ 46,626	\$ 44,711	\$ 43,488	\$ 44,212	\$ 47,103	\$ 43,521	\$ 41,345	\$ 39,844	\$ 46,181	\$ 47,130	\$ 46,282
Coco's	\$ 12,355	\$ 13,952	\$ 14,209	\$ 17,634	\$ 18,553	\$ 18,514	\$ 17,100	\$ 15,029	\$ 15,085	\$ 16,406	\$ 15,296	\$ 14,325

Grove District Restaurant Sales Tax Revenue



Re: Message from "ricoh106"

Subject: Re: Message from "ricoh106"
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Mon, 22 Jun 2015 07:27:50 -1000
To: Greg Blodgett <Greg1@ci.garden-grove.ca.us>

Can you add 2014 to this?

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jun 22, 2015, at 5:21 AM, Greg Blodgett <Greg1@ci.garden-grove.ca.us> wrote:

----- Forwarded Message -----

From: katrenas@ci.garden-grove.ca.us
To: "Greg Blodgett" <greg1@ci.garden-grove.ca.us>
Sent: Monday, June 22, 2015 7:58:04 AM
Subject: Message from "ricoh106"

This E-mail was sent from "ricoh106" (Aficio MP 6001).

Scan Date: 06.22.2015 07:58:03 (-0700)
Queries to: katrenas@ci.garden-grove.ca.us<20150622075804005.pdf>

Fwd:

Subject: Fwd:
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Wed, 24 Jun 2015 10:20:40 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Grace Lee" <gracel@ci.garden-grove.ca.us>
To: "Greg Blodgett (greg1@ci.garden-grove.ca.us)" <greg1@ci.garden-grove.ca.us>
Sent: Wednesday, June 24, 2015 10:19:08 AM

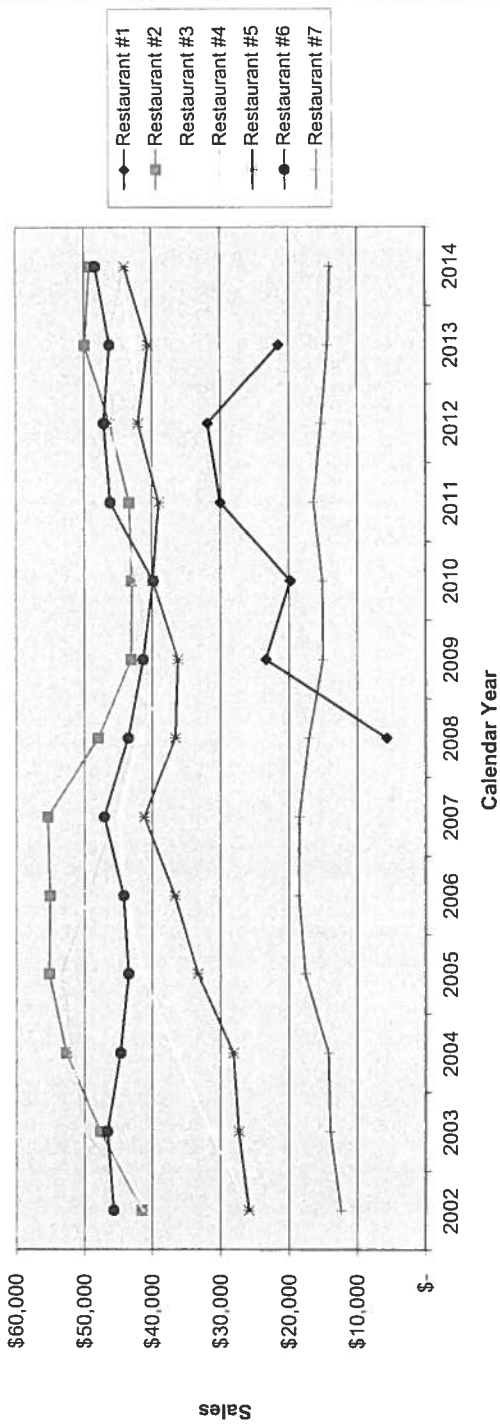
Grace E. Lee
Sr. Economic Development Specialist
City of Garden Grove | Economic Development Division
11222 Acacia Parkway, Garden Grove, CA 92840
Tel. 714.741.5130 | Fax (714) 741-5205

Restaurant Sales Tax Revenue.xls	Content-Type: application/vnd.ms-excel Content-Encoding: base64
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Grove District Restaurant Sales Tax Revenue

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Restaurant #1														
Restaurant #2	\$ 41,544	\$ 47,673	\$ 52,682	\$ 55,190	\$ 55,054	\$ 55,416	\$ 47,966	\$ 43,076	\$ 42,987	\$ 43,379	\$ 46,313	\$ 49,918	\$ 49,141	\$ 1,334
Restaurant #3	\$ 25,752	\$ 31,587	\$ 36,665	\$ 41,440	\$ 44,037	\$ 45,056	\$ 42,089	\$ 36,528	\$ 39,158	\$ 39,213	\$ 41,451	\$ 43,140	\$ 44,659	\$ 14,218
Restaurant #4	\$ 41,334	\$ 49,961	\$ 51,778	\$ 53,380	\$ 49,354	\$ 45,943	\$ 42,666	\$ 40,663	\$ 42,204	\$ 44,976	\$ 45,714	\$ 46,682	\$ 44,096	\$ 10,185
Restaurant #5	\$ 25,867	\$ 27,342	\$ 28,141	\$ 33,316	\$ 36,682	\$ 41,189	\$ 36,613	\$ 36,233	\$ 39,904	\$ 39,032	\$ 42,054	\$ 40,591	\$ 44,018	\$ 12,956
Restaurant #6	\$ 45,719	\$ 46,626	\$ 44,711	\$ 43,488	\$ 44,212	\$ 47,103	\$ 43,521	\$ 41,345	\$ 39,844	\$ 46,181	\$ 47,130	\$ 46,262	\$ 48,318	\$ 13,188
Restaurant #7	\$ 12,355	\$ 13,952	\$ 14,209	\$ 17,634	\$ 18,553	\$ 18,514	\$ 17,100	\$ 15,029	\$ 15,085	\$ 16,406	\$ 15,296	\$ 14,325	\$ 13,961	\$ 3,315

Grove District Restaurant Sales



Subject: License Agreement on Site C
From: Maria Parra <mariap@ci.garden-grove.ca.us>
Date: Mon, 29 Jun 2015 17:08:46 -0700 (PDT)
To: matt reid <matt.reid@landanddesign.com>
CC: Greg Blodgett <greg1@ci.garden-grove.ca.us>

Matt,

Attached is a copy of the License Agreement on the Site C for the Water Park per your request at our previous meeting.

If you have any questions about the agreement, please contact Greg Blodgett.

Best regards,

Maria Parra

Urban Planner
City of Garden Grove | Planning Services Division
11222 Acacia Parkway, Garden Grove, CA 92840
(714) 741-5312 | (714) 741-5578 fax
mariap@ci.garden-grove.ca.us | www.ci.garden-grove.ca.us

Community Development Department of the City of Garden Grove
"Providing Quality Services Through Creativity and Collaboration"

City Hall Hours:

Monday-Thursday: 7:30 a.m. to 5:30 p.m.
First Friday of the Month: 7:30 a.m. to 5:00 p.m.

Direct Website Links:

Planning Division
Municipal Code, Title 9, Land Use
Zoning Map

[Untitled].pdf	Content-Type: application/pdf Content-Encoding: base64
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Mon 29 Jun 2015
17:08:46 - 0700

REVOCABLE LICENSE AGREEMENT

This Revocable License Agreement is made as of March 21, 2014 ("License Agreement"), by and between the **CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, ("Licensor"), and **GWGG, LLC**, a Delaware limited liability company ("Licensee").

Recitals

WHEREAS, the Licensee has requested the use of vacant, unimproved property owned by the Licensor located at 12222 Harbor Boulevard, 12252 Harbor Boulevard, 12272 Harbor Boulevard, and 12292 Harbor Boulevard, known by Assessor's Parcel Numbers 231-521-03, 04, & 05, in the City of Garden Grove, State of California, as further depicted on Exhibit A attached hereto (the "Site") for the parking of vehicles and the temporary storage and staging for assembly of water slide components and related materials in connection with the construction by Licensee of a water park hotel resort development project approximately one-half mile south of the Site in accordance with that certain First Amended and Restated Disposition and Development Agreement by and between the Successor Agency's predecessor, the Garden Grove Agency for Community Development, and Licensee's assignor, Garden Grove MXD LLC, dated April 13, 2010 (the "Water Park Development Project"); and

WHEREAS, if and when certain property immediately adjacent to the Site (the "Additional Property") becomes vacant, Licensee would like to have the option to expand this License Agreement to cover such property as shown on Exhibit B attached hereto; and

WHEREAS, the Licensor is willing to give to Licensee a license to use the Site strictly in accordance with the terms and conditions of this License Agreement.

NOW THEREFORE, Licensor and Licensee agree as follows:

Agreement

1. Site. The Site is located at 12222 Harbor Boulevard, 12252 Harbor Boulevard, 12272 Harbor Boulevard, and 12292 Harbor Boulevard, known by Assessor's Parcel Numbers 231-521-03, 04, & 05, and is depicted in approximate location on Exhibit A attached hereto and incorporated herein by reference. The Site contains approximately 62,000 square feet of unimproved, vacant land. The Site, including the Additional Property, is depicted on Exhibit B attached hereto and incorporated by reference herein. If and when the Additional Property becomes vacant, Licensee may request Licensor's approval to expand the Site covered by this License Agreement to include the Additional Property. Upon written approval of such a request by Licensor, which approval may not be unreasonably withheld, such Additional Property will automatically be deemed to be subject to this License Agreement and all references herein to "Site" shall automatically include the Additional Property. If Licensee never makes such a request to expand the Site to include the Additional Property, this License Agreement shall be deemed to apply only to the Site as shown in Exhibit A.
2. Permit to Enter Site. Licensor agrees to give Licensee a revocable license to enter and use the Site for the sole purpose set forth in Section 5 hereof and for no other purpose, subject to Licensee's compliance with all of the terms of this License Agreement. Licensee shall not permit any other person, except Licensee's contractors, subcontractors, consultants, agents, and employees, to enter or use the Site without Licensor's prior written consent. Licensee acknowledges and agrees that it is

not a tenant on the Site and any rights or benefits which may accrue to Licensee by reason of execution of this License Agreement or use of the Site shall solely be those of a licensee and not a tenant. Licensee further acknowledges and agrees that Licensee's use of the Site shall be subject to the rights of other persons or entities provided for in existing agreements to which the Site is subject, including, but not limited to, those rights, if any, accruing to Land & Design, Inc., pursuant to that certain Disposition and Development Agreement entered into on or about June 14, 2011, by and between Land & Design, Inc. and the former Garden Grove Agency for Community Development, and that certain Resort Hotel Development Agreement, entered into on or about April 9, 2013, by and between Land & Design, Inc. and the City of Garden Grove (collectively, "Existing Agreements Affecting the Site"). Subject to Licensor's obligations pursuant to the Existing Agreements Affecting the Site, Licensor will make best efforts to provide Licensee with advance notice of, and coordinate with Licensee regarding, any access or use of the Site by third parties pursuant to any Existing Agreements Affecting the Site.

3. Consideration. In consideration for this License Agreement, Licensee agrees to secure and maintain the Site in a clean, sanitary and safe condition, free of debris, weeds, vermin, graffiti, and waste materials, pursuant to Sections 6 and 7 hereof and the "Rules" attached hereto at Exhibit C, all at Licensee's sole cost and expense.
4. Term. The term of this License Agreement shall commence on March 21, 2014 and shall continue until terminated by either Licensor or Licensee pursuant to Section 12.
5. Use. The Site shall be used by Licensee solely for the parking of vehicles by the Licensee's contractors, subcontractors, consultants, agents, and employees, and the temporary storage and staging for the assembly of water slide components and related materials in conjunction with construction of the Water Park Development Project.
6. Regulations. Licensee shall obtain, at its sole cost and expense, all governmental permits and authorizations of whatever nature required by any governmental agencies having jurisdiction over Licensee's use of the Site. Licensee, at its sole cost, will comply with all applicable governmental laws and regulations. Licensee will also comply with any and all reasonable rules and regulations promulgated by Licensor including, but not limited to, those attached to this License Agreement as Exhibit C and incorporated herein by reference.
7. Condition and Maintenance of Site. Licensee accepts the Site in an "as is" condition. Licensor expressly disclaims any warranty or representation with regard to the condition, safety, or security of the Site or suitability of the Site for Licensee's intended use. Licensee shall maintain the Site and the perimeter fencing on the Site in a neat, orderly, clean, sanitary, and safe condition, free of debris, weeds, vermin, graffiti, and waste materials; provided, however, that Licensor shall continue to be responsible for payment of rental fees for the rental of the perimeter fencing. Licensee shall be responsible for any damage done in or to the Site or the perimeter fencing caused by Licensee or its employees, invitees, agents, contractors, or subcontractors. Licensee shall implement and enforce all dust, water runoff, and sound control conditions and measures as required and/or imposed by any and all public, administrative and/or regulatory bodies. Furthermore, Licensee shall maintain the windscreen around the perimeter of the property, and install rumble plates, sandbags and wattles for water runoff control for the duration of the term. Licensee shall implement any required Best Management Practices ("BMPs") necessary to ensure compliance with federal, state, and local environmental and water quality regulations as a result of Licensee's use of the Site. Except to the extent permanent improvements were made to the Site with Licensor's approval in accordance with

Section 8, below, within thirty (30) days after termination of this License Agreement for any reason, Licensee shall, to the extent practicable, and unless otherwise requested or authorized by Licensor: (i) restore the Site to the condition it was immediately prior to the effective date of this License Agreement; (ii) remove all improvements, trade fixtures and personal property installed or brought onto the Site by Licensee or its contractors, subcontractors, employees, agents, or invitees, and repair any damage to the Site occasioned by removal of these items; and (iii) peaceably surrender and quit the Site in good order, condition and repair, reasonable wear and tear excepted only. --

8. Improvements. Except for installation of improvements for dust, water runoff, and noise control pursuant to Sections 6 and 7, Licensee, its employees, agents, contractors, and/or subcontractors shall construct no structure or sign or make other improvements of any kind on the Site without the prior written approval of Licensor in each case. It is mutually contemplated by the parties that Licensee desires to install signs indicating entrance to the Site and restriction of use for private purposes (i.e., prohibiting public entrance onto the Site) and Licensor's approval of such signs shall not be unreasonably withheld. Licensee shall submit plans and specifications to Licensor for approval in each instance. Approval may be withheld, at Licensor's sole discretion. No changes, modifications or alterations from approved plans and specifications may be made without Licensor's prior written approval. No approval by Licensor of any plans or specifications shall constitute (i) approval of architectural or engineering sufficiency or representation, or (ii) warranty by Licensor as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Licensee's use or purpose. Licensor, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications.

9. Liens. Licensee shall not permit to be placed against the Site, or any part of the Site, any mechanics', materialmen's, contractors' or subcontractors' liens. Licensee shall indemnify, defend and hold Licensor harmless from all liability for any and all liens, claims and demands, together with the costs of defense and reasonable attorneys' fees related to same. Notwithstanding anything to the contrary set forth above, if Licensee in good faith desires to contest the validity of any lien, then Licensee shall procure, record and furnish to Licensor a surety bond or other security satisfactory to Licensor in an amount equal to at least one and one-half (1 1/2) times the amount of the contested lien, claim or demand, which bond or other security shall discharge the lien of record and hold the Site free from the effect of the lien or claim. Licensor reserves the right, at any time and from time to time, to post and maintain on the Site, any portion thereof or on the improvements on the Site any notices of non-responsibility or other notice as may be desirable to protect Licensor against liability. In addition to and not in limitation of Licensor's other rights and remedies under this License Agreement, should Licensee fail, within ten (10) days of a written request from Licensor, either to discharge any lien or claim related to Licensee's use of the Site or to bond for any lien or claim as provided above, or to indemnify, hold harmless and defend Licensor from and against any loss, damage, injury, liability or claim arising out of Licensee's use of the Site as provided above, then Licensor, at its option, may elect to pay any lien, claim, loss, demand, injury, liability or damages, or settle or discharge any action or satisfy any judgment and all costs, expenses and attorneys' fees incurred in doing so shall be paid to Licensor by Licensee upon written demand, together with interest thereon at the rate of ten percent (10%) per annum from the date incurred or paid through and including the date of payment.

10. Indemnity. Licensee agrees to and shall indemnify, defend, protect, and hold harmless the Licensor, the City of Garden Grove ("City"), and their respective officials, officers, employees, and

consultants (collectively, the "Indemnitees"), jointly and severally, from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses, proceedings, lawsuits, orders, judgments, fines, obligations, encumbrances, liens, expenses (including without limitation all costs and expenses reasonably incurred to investigate and defend claims, whether or not any such claim is ultimately defeated, and costs and expenses reasonably incurred for consultants, court fees, administrative fees, expert witness fees, and attorneys' fees and remedial and response costs) of whatever kind or nature, contingent or otherwise, matured or not matured, foreseeable or unforeseeable, at law or in equity, any of which are suffered or incurred by the Indemnitees, or assessed, levied or asserted by any person or entity (whether governmental or private) against the Indemnitees, (collectively, "Claims"), relating to, resulting from, arising out of or based upon, in whole or in part, the following: (i) any act, omission or negligence of the Licensee or its contractors, subcontractors, invitees, agents, servants or employees in conjunction with the exercise of rights granted to Licensee pursuant to this License Agreement; (ii) any use of the Site, or any accident, injury, death or damage to any person or property occurring in, on or about the Site, or any part of the Site, in conjunction with the exercise of rights granted to Licensee pursuant to this License Agreement or from any activity, work or thing done, permitted or suffered by Licensee or its contractors, subcontractors, employees, agents, or invitees in or about the Site; (iii) Licensee's failure to comply with any provisions of this License Agreement; (iv) the validity or enforceability of this License Agreement or the Licensor's approval thereof; (v) the presence, release, use, generation, discharge, storage, disposal, removal or remediation of any hazardous materials (as such term is defined in Exhibit C on, in, under, or emanating from the Site as a result of the use of the Site by Licensee or its contractors, subcontractors, invitees, agents, servants or employees pursuant to this License Agreement, but only as relating to hazardous materials brought to or generated on the Site by Licensee or its contractors, subcontractors, invitees, agents, servants or employees; or (vi) the violation, or alleged violation, or compliance with the requirements of any governmental law, statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of hazardous materials to, from, on, in, under, about or around the Site by Licensee or its contractors, subcontractors, invitees, agents, servants or employees, but only as relating to hazardous materials brought to or generated on the Site by Licensee or its contractors, subcontractors, invitees, agents, servants or employees. Notwithstanding the foregoing, the indemnities described in (i) and (ii) above shall not apply to the extent of the negligence or willful misconduct of the Indemnitees. In addition, notwithstanding the foregoing, Licensee's obligations to the Indemnitees pursuant to this Section 10 shall not apply to the extent any Claims result from the negligent or intentional acts or omissions of persons other than the Licensee or its contractors, subcontractors, invitees, agents, servants or employees pursuant to any Existing Agreements Affecting the Site.

Licensee agrees that neither Licensor nor City shall not be responsible for any loss or theft of any property on the Site, and Licensee hereby waives, and releases Licensor and City from, any and all claims or demands for any personal injury, property damage, or other loss suffered by Licensee or Licensee's contractors, subcontractors, invitees, agents, or employees on the Site except those arising from or related to Indemnitees' negligence or willful misconduct, and agrees to so indemnify and hold Licensor and City harmless from the same except as otherwise provided herein.

Licensee's obligations pursuant to this Section 10 shall survive expiration or earlier termination of this License Agreement so long as such obligations arose during the Term of this License Agreement.

11. Insurance. Prior to entering the Site and at all times during the Term, Licensee, at its sole expense, shall maintain a policy or policies of insurance with a reputable insurance company acceptable to Licensor and City, meeting the requirements set forth in Exhibit D attached hereto which is incorporated herein by reference. Licensee shall, prior to entering into possession of the Site, deliver to Licensor and City certificates of insurance evidencing same.
12. Termination and Remedies. This License Agreement may be terminated or revoked for any reason by either party following thirty (30) days written notice. If Licensee is in breach of any of its obligations under this License Agreement and fails to cure such breach within seventy-two (72) hours of receipt of written notice from Licensor specifying the nature of the breach (or commence to cure and diligently pursue such cure to completion if such cure takes over seventy-two (72) hours), Licensor shall have the right to terminate this License Agreement by written notice to Licensee. In the event proceedings in bankruptcy are commenced by Licensee, or Licensee is found to be in a state of insolvency, then in such event, Licensor shall have the right to terminate this License Agreement and all further rights and obligations thereunder, by ten (10) days' notice in writing to Licensee, in which event, on the expiration of the ten (10) days from mailing of the notice, this License Agreement shall automatically terminate. Licensor may terminate this License Agreement immediately if directed to do so by a court, governmental body or agency other than Licensor with jurisdiction over Licensor and/or this License Agreement. Licensor incurs no liability whatsoever for termination of this License Agreement at any time.

Upon termination or revocation of the License Agreement, Licensee agrees to vacate the Site and to surrender the license pursuant to the terms of Section 7 above. Licensor may at its election remove any vehicles, supplies or equipment left on the Site after the dates set forth in Section 7 above, and Licensor shall have no obligation to insure the safekeeping or storage of any items removed from the Site by Licensor. In addition to the foregoing, in the event of termination due to a breach by Licensee of any provision of this License Agreement, Licensor may also seek all other remedies available at law or in equity including, but not limited to, a suit for damages or an action for specific performance or injunction. All remedies provided in this License Agreement or by law or in equity shall be cumulative and nonexclusive.

13. Inspection. Licensor and its representatives, employees, agents or independent contractors may enter and inspect the Site or any portion of the Site or any improvements on the Site at any time and from time to time.
14. Non-assignment. Licensee may not assign, sublet or otherwise transfer its interest under this License Agreement. Any attempted assignment, sublet or transfer made in violation of this provision shall be null and void.
15. Costs of Enforcement. If it is necessary for either party to employ an attorney to commence an action to enforce any of the provisions of this License Agreement, the nonprevailing party agrees to pay all costs of such action including, but not limited to, court costs and reasonable attorneys' fees.
16. Notices. All notices, consents, submissions for approvals, approvals, requests, demands and other communications provided for in this License Agreement shall be in writing and shall be deemed to have been duly given and received if and when personally served or forty-eight (48) hours after being deposited in the United States mail, registered, return receipt requested, postage prepaid, addressed to the intended party at:

LICENSOR:

City of Garden Grove as Successor Agency to the
Garden Grove Agency for Community Development
11222 Acacia Parkway
P.O. Box 3070
Garden Grove, CA 92842
Attention: Director

LICENSEE:

GWGG, LLC
2725 Rocky Mountain Avenue Suite 200
Loveland, CO 80538
Attention: Trae Rigby and Doug Hill

17. Miscellaneous. This License Agreement constitutes the entire agreement between the Licensor and Licensee pertaining to the subject matter of this License Agreement and supersedes all prior and contemporaneous agreements, representations, and understandings of Licensor and Licensee, oral or written. No supplement, modification or amendment of this License Agreement shall be binding unless in writing and executed by Licensee and Licensor. No waiver of any provision of this License Agreement shall constitute a continuing waiver or waiver of any other provision. This License Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The headings of this License Agreement are for purposes of reference only and shall not limit or define the meaning of any provision. Neither this License Agreement nor a short form memorandum of this License Agreement shall be filed or recorded in any public office.
18. Non-Discrimination. Licensee covenants that there shall be no discrimination against or segregation of any person, group, or employees due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any action or activity pursuant to this license.
19. Relocation Benefits. Licensee acknowledges that it is not and shall not be eligible for relocation assistance or benefits, or any claims, costs or obligations related in any manner thereto. Licensee hereby knowingly waives all notices of termination that may be required pursuant to California Government Code section 7260, et. seq., or any other displacement, acquisition or relocation laws or regulations, and waives all rights such relocation benefits, assistance and/or other compensation of whatever kind or nature.
20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. Facsimile signatures may also be used.
21. Agreement Limitations. Licensee understands and agrees that the implementation and effectiveness of this License Agreement shall be subject to approval by the Oversight Board to the Licensor and all provisions of ABX1-26 and AB1484.

Licensor and Licensee have executed this instrument as of the date first above written.

LICENSOR

**CITY OF GARDEN GROVE AS SUCCESSOR
AGENCY TO THE GARDEN GROVE
AGENCY FOR COMMUNITY
DEVELOPMENT, a public body**

By: *Mark E. Felt*
Director

LICENSEE

GWGG, L.L.C., a Delaware limited liability company,

By: McWhinney Real Estate Services, Inc., a Colorado corporation, its Manager

By: *Douglas L. Hill*
Name: DOUGLAS L. HILL
Title: EXECUTIVE VICE PRESIDENT

EXHIBIT A

SITE MAP

(see attached)

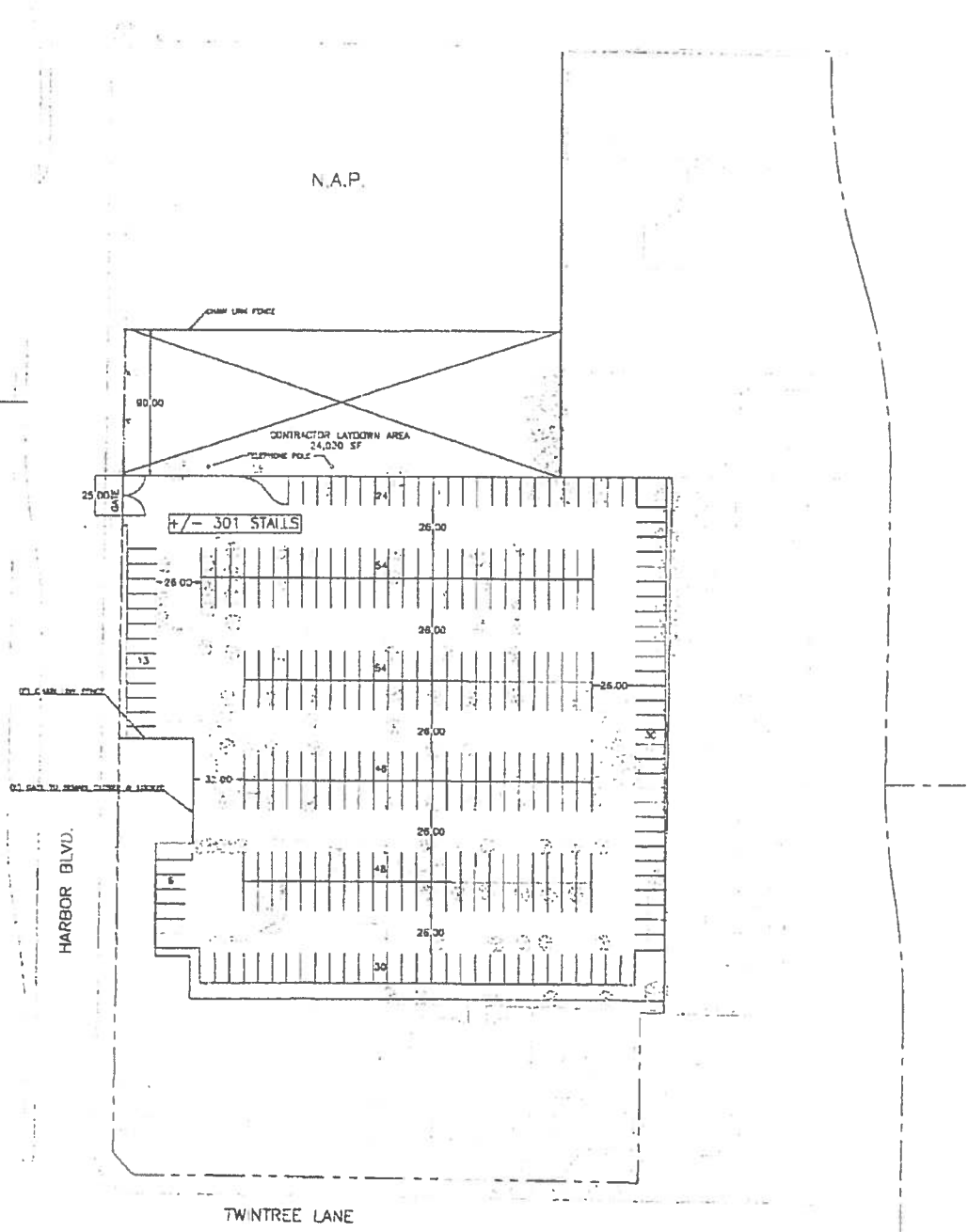


EXHIBIT A

EXHIBIT B

SITE MAP (INCLUDING ADDITIONAL PROPERTY)

(see attached)

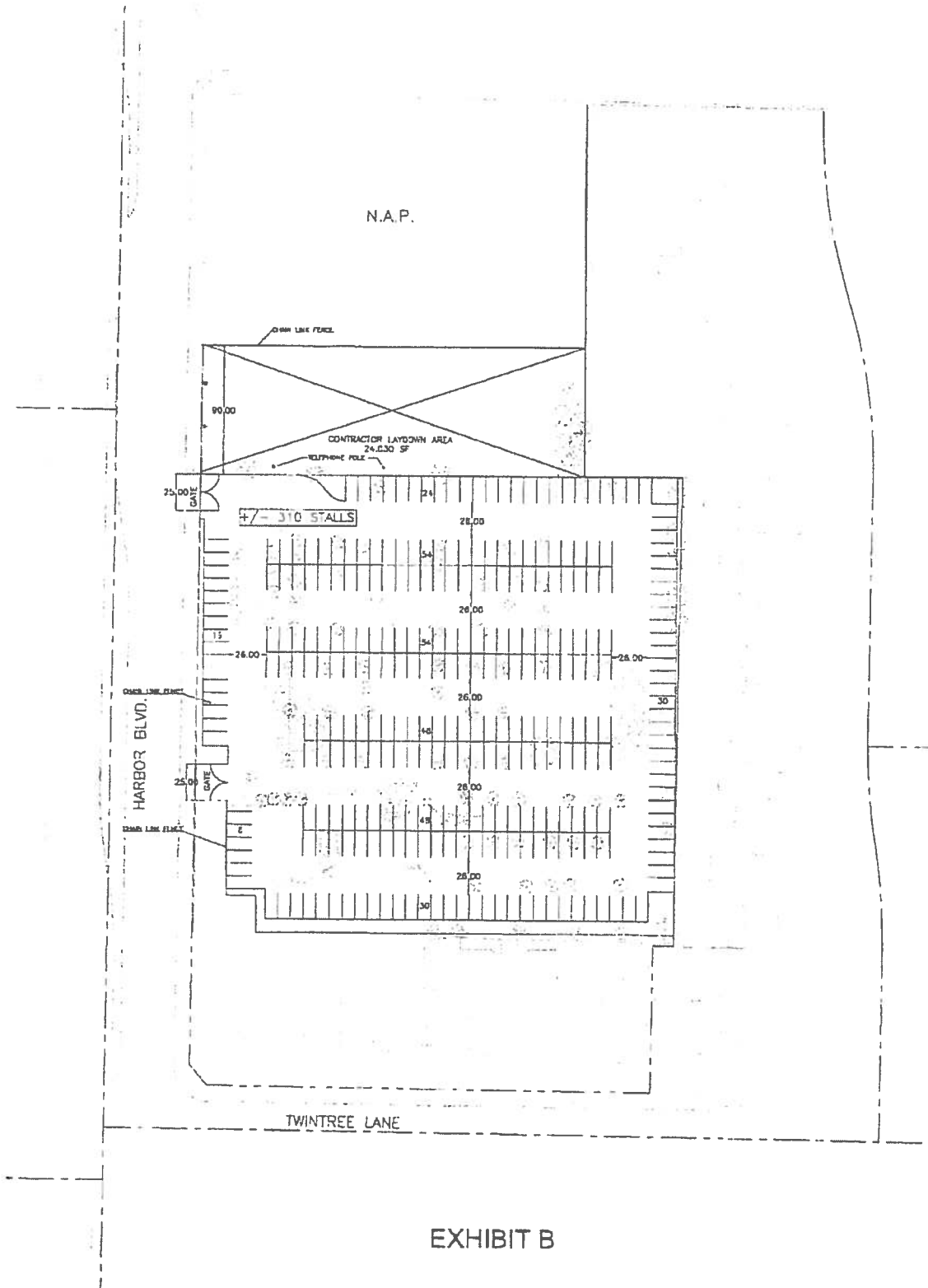


EXHIBIT B

EXHIBIT C

RULES AND REGULATIONS

Licensee and its contractors, subcontractors, consultants, agents, and employees shall abide by the following rules and regulations ("Rules") and any modifications and additions to these Rules made by Licensor at any time made.

1. Hours of Active Use of Site. By written notice to Licensee, Licensor may place reasonable limits on the permitted hours during which vehicles may enter and exit the Site and/or during which Licensee may engage in other active operations on the Site, consistent with limitations on the permitted hours of Licensee's activities in conjunction with development of the Water Park Development Project. Licensee shall at all times adhere to Garden Grove Municipal Code regulations pertaining to permitted construction hours and noise and related nuisances.
2. Hazardous Materials. Licensee shall not store or stockpile or permit to be stored or stockpiled upon the Site or any property adjacent to the Site, and shall, at Licensee's sole cost and expense, clean up and remediate any spill, release, or discharge of any chemicals, unhealthy substances, pesticides, explosive materials, corrosive substances or other hazardous materials on or from the Site and/or property adjacent to the Site resulting from Licensee's use of the Site. The term "hazardous materials" shall mean (i) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Sections 25300 et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) petroleum, oil, gasoline (refined and unrefined) and their respective by-products and constituents; and (vi) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any law, rule, or regulation of any governmental agency with jurisdiction over the Site either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or harmful to the environment.
3. Condition of Site. Licensee shall keep the Site in a clean and sanitary condition satisfactory to the Licensor at all times during the term of this License. No dust, offensive or refuse matter, nor substance constituting an unnecessary, unreasonable or unlawful hazard or material detrimental to the public health shall be permitted or remain thereon, and Licensee shall prevent any such matter or material from accumulating on the Site and/or on property adjacent to the Site. Licensee shall use Best Management Practices to eliminate to the extent practicable the generation of dust on the Site as a result of Licensee's activity on the Site or as otherwise directed by the Licensor or any other regulatory agency.
4. Signs. No sign, advertisement display, awning visible from the exterior of the Site shall be inscribed, painted or affixed by Licensee on any part of the Site without the prior written consent of the Licensor Director or his designee.
5. Conflict of Rules with License Agreement. If there is any conflict, inconsistency or ambiguity between these Rules and the main body of the License Agreement, the provisions within the main body of the License Agreement shall control and prevail.

EXHIBIT D

INSURANCE REQUIREMENTS

1. COMMENCEMENT OF USE. Licensee shall not enter or commence use of the Site under this License Agreement until all certificates and endorsements have been received and approved by the Successor Agency and the City. All insurance required by this License Agreement shall contain a Statement of Obligation on the part of the carrier to notify the Successor Agency and the City of any material change, cancellation, or termination at least thirty (30) days in advance.

2. WORKERS COMPENSATION INSURANCE. For the duration of this License Agreement, Licensee, its contractors and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by California law. The insurer for each policy shall waive its rights of subrogation against the City of Garden Grove, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, and their respective officers, employees, representatives, and agents.

3. INSURANCE AMOUNTS. Licensee shall maintain, or shall cause its contractor or contractors to obtain and maintain the following insurance for the duration of this agreement:
 - (a) Commercial general liability, including mobile equipment, in an amount not less than \$5,000,000 per occurrence/\$10,000,000 aggregate; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to Successor Agency and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the Successor Agency.

 - (b) Automobile liability in an amount not less than \$1,000,000 combined single limit; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to Successor Agency and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the Successor Agency.

An Additional Insured Endorsement, **ongoing and products-completed operations and including mobile equipment**, for the policy under section 3 (a) shall designate the City of Garden Grove, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, and their respective officers, employees, representatives, and agents as additional insured for liability arising out of work or operations performed by or on behalf of the Licensee. Licensee shall provide to Successor Agency proof of insurance and endorsement forms that conform to Successor Agency's requirements, as approved by the Successor Agency.

An Additional Insured Endorsement for the policy under section 3 (b) shall designate the City of Garden Grove, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, and their respective officers, employees, representatives, and agents as additional insured for automobiles owned, leased, hired, or borrowed by the Licensee. Licensee shall provide to Successor Agency proof of

insurance and endorsement forms that conform to Successor's Agency's requirements, as approved by the Successor Agency.

The insurer for each policy shall waive any subrogation against the City of Garden Grove, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, and their respective officers, employees, representatives, and agents for any loss generally covered by all risk insurance.

For any claims related to this Agreement, Licensee's insurance coverage shall be primary insurance as respects, City of Garden Grove, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, and their respective officers, employees, representatives, and agents. Any insurance or self-insurance maintained by the City of Garden Grove, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, and their respective officers, employees, representatives, and agents shall be excess of the Licensee's insurance and shall not contribute with it.

If Licensee maintains higher insurance limits than the minimums shown above, Licensee and/or its contractors shall provide coverage for the higher insurance limits otherwise maintained by the Licensee.

Licensee shall ensure that all sub-contractors obtain and maintain the same insurance as required herein for the duration of this agreement.

Fwd: Disney follow up

Subject: Fwd: Disney follow up

From: Greg Blodgett <gregl@ci.garden-grove.ca.us>

Date: Tue, 30 Jun 2015 17:08:10 -0700 (PDT)

To: Matthew Reid <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Jay Burress" <jburress@visitanahome.org>

To: "Steve Arnold" <sarnold@pacifichospitality.com>, "Fred Brown" <FredB@hansji.com>, "Jay Burress" <jburress@visitanahome.org>, "Stephen M. D'Agostino" <stephen.dagostino@hyatt.com>, "Robert Donahue" <Robert.Donahue@disney.com>, "James M. Durslag" <jim.durslag@hilton.com>, "Werner Escher" <escherw@southcoastplaza.com>, "Helen Forbes" <helen.forbes@marriott.com>, "Sven Grunder" <sgrunder@pacifichospitality.com>, "John Kalinski" <john.kalinski@marriott.com>, "Dennis Kuhl" <dennis.kuhl@angels.com>, "Thomas Morton" <tmorton@anaheim.net>, "Bill O'Connell" <billoconnell@stovallshotels.com>, "Steve Plummer" <splummer@tustinranchgolf.com>, "Joaquin Quesada" <quesada-joaquin@aramark.com>, "Shaun Robinson" <shaun.robinson@hilton.com>, "Paul Sanford" <psanford@anabellahotel.com>, "Paul Sanford" <psanford@rosanna-inc.com>, "Larry Slagle" <lslagle@yellowcab.com>, "Julia Smith" <jsmith@ges.com>, "Chris Snyder" <csnyder@tapsfishhouse.com>, "William Snyder" <wfsny9400@aol.com>, "Jon Storbeck" <Jon.Storbeck@disney.com>, "Kristine Ridge" <kridge@anaheim.net>, "Rosa Cook" <Rosa.Cook@interstatehotels.com>, "Greg Blodgett" <gregl@ci.garden-grove.ca.us>, "Allan Roeder" <allanr@ci.garden-grove.ca.us>

Sent: Tuesday, June 30, 2015 12:12:07 PM

Subject: Disney follow up

Members-

Please find attached documents relating to Michael Colglazier's recent presentation regarding Disney's opportunity.

Jay Burress, CTA
President & CEO
p: (714) 765-8840 | m: (714) 932-2100
e: jburress@visitanahome.org

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Disney Fact Sheet.pdf	Content-Type: application/pdf Content-Encoding: base64
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– Disney Billion Dollar Investment Agreement - jf edit.pdf

Disney Billion Dollar Investment Agreement - jf edit.pdf	Content-Type: application/pdf Content-Encoding: base64
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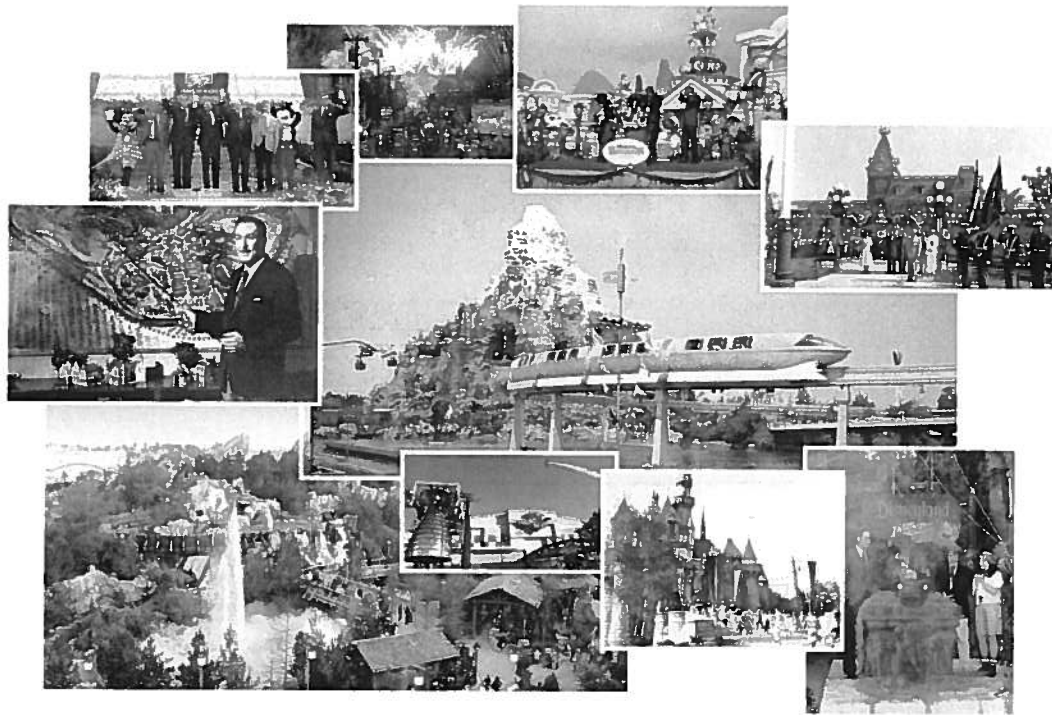
– Media Advisory Entertainment Tax Policy 6-25-15 FINAL.doc

Media Advisory Entertainment Tax Policy 6-25-15 FINAL.doc	Content-Type: application/msword Content-Encoding: base64
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FACT SHEET



Disneyland & Anaheim A 60-YEAR PARTNERSHIP CREATING PROSPERITY & OPPORTUNITY



Sixty years ago, when the gates of Disneyland opened for the very first time, it was clear that Walt had built something very special, transforming Anaheim into a family destination unlike any the world had seen.

And every day since, Disneyland has continued to fulfill that vision by investing in Anaheim's future and making sure families always have new experiences to share.

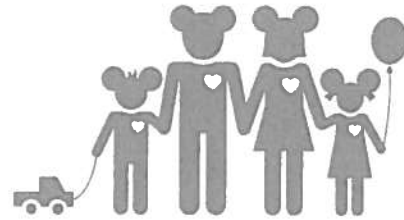
Two decades ago, the City, Disney and area business owners worked together to reimagine the Resort Area, and created a multi-day, world-class family destination with two theme parks, Downtown Disney, Disney's Grand Californian Hotel & Spa, an expanded Convention Center, a completely revitalized Resort Area, and a traffic, parking and infrastructure plan that set the stage for 20 years of unprecedented economic growth and prosperity.

Disney Investment Creates Real Benefits for Every Resident of Anaheim

THE DISNEYLAND RESORT

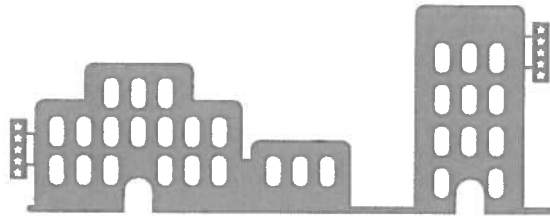


Doubled its workforce
from 1996 to 2015
13,120 to **28,000** cast members



Attendance has **increased**
by nearly **60%** since 1996

ANAHEIM RESORT



The Transient Occupancy Tax paid
to Anaheim has more than doubled between
1996 to 2014 from **\$45,000,000 per**
year to \$110,000,000 per year

*Source: City of Anaheim

The Average Daily Rate of hotels
has nearly doubled from **\$87 per**
night to \$160 per night between
1996 and 2014

*Source: Anaheim Orange County Visitor and Convention Bureau

Key Contributors of Success

- Investing in infrastructure to lay a foundation for growth
- Business friendly tax policies
- Disney investment as an anchor for economic development

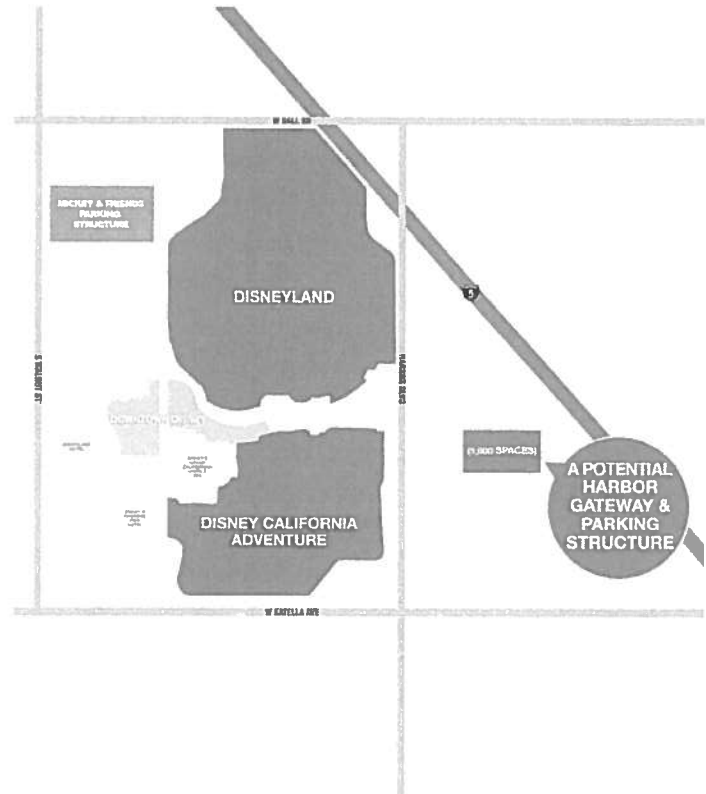
Setting the Stage

FOR A SECURE FINANCIAL FUTURE FOR ANAHEIM

A Potential New Harbor Gateway

The largest infrastructure investment in the Anaheim Resort Area (ARA) in the last 20 years

- An approximately 5,000 space parking garage that connects guests to the Disneyland Resort and the Anaheim Resort Area
- Provides a new eastside gateway to the Resort Area that improves traffic flow and parking
- Improves the overall circulation in the entire Resort Area and relieves congestion on Ball Road, Harbor Boulevard, Katella Avenue and Disneyland Drive
- Provides a foundation for growth for all businesses in the Resort Area
- Provides additional inventory for Anaheim Resort parking



An Unparalleled Library OF STORYTELLING

Disney has never had a larger library to draw upon to create the next generation of stories in its theme parks. In the coming years, Disney is contemplating exciting new investments that could usher in a new era for the Disneyland Resort.



A Promise FOR THE FUTURE

Anaheim neighborhoods thrive when our City's economy is strong and the City's balance sheet is healthy. The Anaheim Resort Area is the single biggest contributor to Anaheim's ability to invest in neighborhoods, public safety, parks, streets and other City services. Disneyland is the engine that drives the Resort Area's economic vitality.

For the last 20 years, Disney's investment in Anaheim has been largely based on the premise that the City would not tax guests. That could change next year when the current entertainment tax policy expires. Disneyland now competes with five other Disney Resorts worldwide for capital investment within the Company. If an entertainment tax is levied on guests it will impact the level of future investment in the Disneyland Resort.

Disneyland is considering a potential \$1 billion dollar expansion over the next several years:

- Disney will tie continued capital investment to an extension of the current entertainment tax policy.
- If Disney invests a total of \$1 billion on the Harbor Gateway project, new attractions and/or entertainment offerings, the current entertainment tax policy would be extended for 30 years.
- If Disney does not have shovels in the ground by the end of 2017, the extension will expire.
- In addition, to the initial \$1B investment, if the company invests an incremental \$500 million in new attractions and/or entertainment offerings, the current entertainment policy will be extended 15 more years.

According to an independent study, a potential \$1 billion theme park expansion could result in:

An average of over

**2,600
Anaheim jobs**

being supported each year



of those jobs would be permanent (i.e., Post-Development Phase).



in additional wages being paid each year.

Direct DLR employment increasing by **5%**

from current workforce (28,000).

Annual DLR economic output increasing by an average of

8.3% compared to 2013.

Equivalent to an annual average increase in economic output of

\$342 million.

DLR's direct impact (\$262 M) would account for

77% of this amount per year.

Over 40 years,

\$14 billion

of new economic output being introduced to COA.

COA receiving additional tax revenues of

\$15 million

per year, including



\$6 million

from transient occupancy tax¹;



\$1 million

from tourism improvement district tax¹; and,



\$8 million

from sales & use, property, business license taxes.

1 - Hotel bed taxes are comprised of incremental hotel bed taxes from non-DLR hotels only.

CONTACT US
Disneyland Resort Media Relations

714-781-4610 / publicaffairs.disneyland.com
DLR.Media.Relations@disney.com

DISNEY BILLION DOLLAR INVESTMENT AGREEMENT

About Disneyland Resort

- Disneyland Resort is comprised of two theme parks; Disneyland Park, Disney California Adventure Park, three hotels; Disney's Grand Californian Hotel & Spa, Disneyland Hotel, Disney's Paradise Pier Hotel and one Downtown Disney District.
- With 28,000 Cast Members, Disneyland Resort is the largest employer in Orange County and one of the largest single site employers in the state.
- Disneyland Resort produces nearly \$5.7 billion of economic activity to the Southern California economy and has generated \$372 million in annual taxes throughout the state.
- Spending attributable to the Disneyland Resort and its visitors represented nearly a third of the estimated \$9.6 billion of the Orange County tourism industry in 2013.

Investment Background & Details

- The Walt Disney Co. is considering a \$1 billion expansion of the Disneyland Resort with new attractions, a 5,000-slot parking structure and improvements to streets surrounding the theme park complex. The proposed expansion will address current congestion issues on Ball Road, Disneyland Drive, and Harbor Boulevard, Katella Avenue and allow for additional capacity and future growth.
- To make this investment competitive in a global economy, Disney is asking the City for a 30-year extension of the current Entertainment Tax Policy. **This is an extension of an already proven and successful policy that originated in 1996 and prompted the last major expansions in Anaheim.** Since that time, the Disneyland Resort has doubled its Cast Member count.
- Anaheim is the only city in Disney's worldwide Theme Park and Resorts portfolio where guests could be subject to a targeted entertainment tax if the current agreement expires next year.
- Like any business, Disney is likely to invest more where the economic climate is stable and friendly to that investment.
- If Disney does not invest at these levels by December 2017, the Entertainment Tax Policy will expire. **This is a proven policy that presents no risk to the City of Anaheim, its taxpayers or its General Fund.**
- On July 7, 2015, Anaheim City Council will vote on this policy extension/investment agreement.

Benefits of Investment

- The potential expansion will produce thousands of jobs during construction and new, permanent jobs both at Disneyland and within the Resort District- over 2,600 jobs each year in the City of Anaheim.
- The potential expansion will generate \$15 million in new revenues JUST to the City of Anaheim for vital services that benefit all residents. Without a healthy Resort Area, the City could not fund police, fire and improvements to Anaheim neighborhoods at its current level.
- The last large Disneyland Resort expansion contributed to unprecedented economic growth for the City of Anaheim, including a \$10 million surplus in the Anaheim General Fund this year.
- As with the Disneyland Resort's last expansion, this investment in new entertainment offerings will increase visitation to Anaheim and will lengthen guest stay.
- This agreement helps create a stable economic environment and investment-friendly climate that brings other businesses and employers to Anaheim at all levels. It will unlock further investment in the region.



FOR IMMEDIATE RELEASE

Media contact: Ruth Ruiz, (714) 765-5060 office, (714) 420-7797 mobile

Media Advisory: City Council To Consider Entertainment Tax Policy

ANAHEIM, Calif. (June 25, 2015) — The Anaheim City Council is expected to consider an entertainment tax policy for the Disneyland Resort at its July 7 meeting as Walt Disney Parks and Resorts evaluates a significant investment in its existing operations in the Anaheim Resort.

The policy, to be presented as a proposed resolution and agreement with Disney, is set to be considered during the Council's regular session starting at about 5:30 p.m.

"Anaheim prides itself on being a city where businesses have the confidence to invest and expand," said Paul Emery, interim city manager. "The City Council is considering a resolution that would serve as a framework as Disney evaluates a significant and exciting investment in the Anaheim Resort."

Disney is evaluating the addition of new attractions that would drive attendance and longer stays at the Anaheim Resort. Should the expansion occur, it would fall within the existing footprint of the Disneyland Resort and come under entitlements approved in 1996.

The company also is considering significant infrastructure improvements that would have a direct, positive impact on circulation and traffic flow along Harbor Boulevard and Ball Road.

A potential investment could be valued at \$1 billion. If Disney decides to move forward, it would have until Dec. 31, 2024, to complete its investment under the proposed agreement.

The expansion under consideration requires no City funding or bond financing.

The resolution going before the Council extends a nearly 20-year agreement with Disney regarding entertainment tax policy.

The existing agreement was put in place in 1996 and runs through 2016. The City's current entertainment tax policy has provided Disney the confidence to undertake significant investment in the Anaheim Resort, including the opening of Disney California Adventure Park, Disney's Grand Californian Hotel & Spa and the Downtown Disney District in 2001 and the addition of Cars Land to California Adventure in 2012.

A new entertainment tax policy would run for 30 years with the possibility of a 15-year extension based on additional, substantial investment by Disney beyond \$1 billion.

The policy would allow for reimbursement to Disney in the event an entertainment tax is enacted. There are no proposals for an entertainment tax by the City of Anaheim, and any proposed tax would be subject to voter approval.

The Council is considering a new entertainment tax policy in recognition of the important role Disney and the Anaheim Resort play in providing essential services for residents, businesses and visitors.

At 4 percent of Anaheim's total acreage, the Anaheim Resort provides more than 50 percent of gross General Fund revenue — \$148 million annually from hotel, sales, property and business license taxes, according to City's 2015-16 budget.

After factoring in the cost of providing City services, the Anaheim Resort generates \$67 million in surplus revenue annually, or nearly a quarter of Anaheim's General Fund.

Surplus revenue from the Anaheim Resort is equal to 55 percent of the Anaheim Police Department's General Fund allocation, 100 percent of that of Anaheim Fire & Rescue and more than triple that of the Public Works Department.

Since Anaheim and Disney partnered to expand the Anaheim Resort in the late 1990s, the City's revenue from hotel stays has nearly tripled to a budgeted \$133 million for 2015-16.

"This proposed entertainment tax policy is a pragmatic way to facilitate investment and future revenue for City services," Interim City Manager Emery said.

A potential \$1 billion investment could result in nearly \$600 million in additional hotel, sales and property tax revenue to the City over the next 40 years, according to KPMG study for Disney that was independently reviewed for the City by Beacon Economics.

Current revenue from the Anaheim Resort is evenly spread across the City. On average, the City spends \$660 per resident each year, ranging from \$638 per person in East Anaheim to \$677 in the central and south areas.

Under the 2015-16 budget, the City Council is targeting four areas in particular to benefit from funding provided in large part by the Anaheim Resort. They are Downtown Anaheim, Beach Boulevard and West Anaheim, the Canyon and the Anaheim Resort itself.

Additional revenue generation by the Anaheim Resort also supports the City's debt management and reduction, which enhances Anaheim's already strong financial standing and frees General Fund revenue for essential services.

The Anaheim Resort plays an important role in Anaheim's economy. More than 5,000 of the Disneyland Resort's 28,000 workers are Anaheim residents.

A potential \$1 billion expansion could create an additional 2,600 jobs in and around the Anaheim Resident with city residents filling many of those. During a potential development phase, approximately 3,700 construction-related jobs could be created.

ABOUT ANAHEIM — The City of Anaheim, founded in 1857, is one of the nation's premier municipalities and is one of California's most populous and most visited cities. Anaheim covers 50 square miles with more than 351,000 residents and more than 2,900 City employees. The municipal corporation's annual budget is \$1.7 billion. Anaheim supports a thriving business community with companies such as: Carl Karcher Enterprises, Inc.; L-3 Communications; Pacific Sunwear; and Disneyland Resort. Successful

sports franchises call Anaheim home, including: Angels Baseball; Anaheim Ducks; the U.S. Men's National Volleyball Team, and the 2012 Olympic Games Silver Medal winning U.S. Women's National Volleyball Team. Anaheim also boasts world-class meeting and entertainment venues with: The Anaheim Convention Center, LEED-certified and the largest on the west coast; Honda Center; City National Grove of Anaheim; Anaheim GardenWalk; Angel Stadium of Anaheim; and ARTIC (Anaheim Regional Transportation Intermodal Center). In addition, Anaheim embraces its vibrant cultural arts community, including the world-renowned Anaheim Ballet. Annually, Anaheim welcomes more than 20 million visitors to the City, truly making it where the world comes to live, work and play. For more information, please visit www.anaheim.net.

Re: Disney follow up

Subject: Re: Disney follow up
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Tue, 30 Jun 2015 17:28:47 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

Yes

The gate tax ban exists today but is expiring soon
So Disney has agreed to spend a minimum m of One billion if the approve a ban on gate tax

Sent from my iPhone

On Jun 30, 2015, at 5:25 PM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Support to keep the Ban in place in exchange for Disney spend of \$1B?

Matthew Reid

Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

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They have asked we support Disney at the upcoming City Council Meeting On July 7 at City Hall, the Anaheim City Council is scheduled to consider extending Anaheim's ban on a gate tax at the two parks. The public will be able to weigh in.

Sent from my iPhone

On Jun 30, 2015, at 5:21 PM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Thanks. Did you say this is being voted on tonight?

Matthew Reid

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3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
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From: "Jay Burress" <jburress@visitanaheim.org>

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From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Tue, 30 Jun 2015 17:47:22 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

Yes

Sent from my iPhone

On Jun 30, 2015, at 5:25 PM, Matthew Reid <matt.reid@landanddesign.com> wrote:

So is the Anaheim Council supportive of the Disney proposal?

Matthew Reid

Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
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Subject: Re: Disney follow up
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Tue, 30 Jun 2015 19:49:08 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

I will get it

Sent from my iPhone

On Jun 30, 2015, at 6:28 PM, Matthew Reid <matt.reid@landanddesign.com> wrote:

Do you have the KPMG Study done for Disney?
Can you get it?

Matthew Reid

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858.735.1858 cell
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p: (714) 765-8840 | m: (714) 932-2100
e: jburress@visitanahaim.org

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Fwd: prep for conf call tomorrow morning re land and design

Subject: Fwd: prep for conf call tomorrow morning re land and design
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Fri, 10 Jul 2015 10:39:27 -0700 (PDT)
To: "Reid, Matthew" <matt.reid@landanddesign.com>

----- Forwarded Message -----

From: "Thomas P. Clark" <TClark@sycr.com>
To: "Omar Sandoval (OSandoval@wss-law.com)" <OSandoval@wss-law.com>, "James H. Eggart (jeggart@wss-law.com)" <jeggart@wss-law.com>
Cc: "Greg Blodgett (greg1@ci.garden-grove.ca.us)" <greg1@ci.garden-grove.ca.us>
Sent: Thursday, July 9, 2015 5:10:03 PM
Subject: prep for conf call tomorrow morning re land and design

See item 11

Thomas P. Clark

[cid:image002.png@01D0BA6A.169BE6C0](#)

Stradling Yocca Carlson & Rauth, P.C.
660 Newport Center Drive, Suite 1600 | Newport Beach , CA 92660
(o) 949.725.4140 | (f) 949.823.5140 | (c) 949.584.7640
TClark@SYCR.com | sycr.com
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-----image002.png-----



image002.png	Content-Type: image/png Content-Encoding: base64
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-----San_Juan_Capistrano_ROPS_15-16A_MC_Determination_Revised.pdf-----

San_Juan_Capistrano_ROPS_15-16A_MC_Determination_Revised.pdf	Content-Type: application/pdf Content-Encoding: base64
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REVISED

June 19, 2015

Ms. Cindy Russell, Chief Finance Officer
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Dear Ms. Russell:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letters dated March 31 and May 15, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Juan Capistrano Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to Finance on February 25, 2015, for the period of July through December 2015. Finance issued a ROPS determination letter on March 31, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 13, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item No. 11 – Lower Rosan Ranch Loan Payable in the amount of \$3,525,125. Finance no longer denies this item. Finance previously denied this item because the actual amended promissory note provided by the Agency is dated July 6, 2011 and HSC section 34163 (c) prohibits a redevelopment agency (RDA) from amending or modifying existing agreements after June 27, 2011. During the Meet and Confer process the Agency contended that this item is an enforceable obligation because the Board of Directors (Board) of the former RDA approved the amended promissory note on June 21, 2011 via resolution. Our review of the resolution indicates that the Board authorized and directed the Executive Director and Finance Officer of the former RDA to execute all documents necessary to secure short term financing based on specific terms presented to the Board. Finance confirmed that the terms of the July 6, 2011 loan reflected the terms approved by the Board on June 21, 2011. For these reasons, Finance has concluded that this item is an enforceable obligation and the Agency is eligible for \$198,777 in Redevelopment Property Tax Trust Funds (RPTTF) on this ROPS.
- Item No. 14 – Kinoshita Note Principal Payment Set-Aside in the amount of \$7,996,697 is not allowed. Finance continues to deny this item. The Agency continues to contest the denial of this item; however, no additional information was provided during the Meet and Confer process to support this item is an enforceable obligation on ROPS 15-16A.

Therefore, as previously determined, this item is a contingent obligation for a principal balloon payment for the Kinoshita Note Payable due March 1, 2021. HSC section 34177 (b) allows reserves for indentures, trust indentures, or similar documents governing the issuance of outstanding RDA bonds. The statute does not currently recognize contingent or unknown obligations, thus creation of reserves for such items is not permissible. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding at this time. We note that the Agency may be eligible to receive funds for this item in future ROPS periods.

- Item No. 32 – Legal Costs associated with assets, obligations, and property totaling \$50,000. Finance continues to deny this item. The Agency requested the use of \$509 in Other Funds and \$49,491 in RPTTF funding for this item. Finance originally denied this item because on the Agency's Long-Range Property Management Plan, approved on January 16, 2015, the Agency designated the final disposition for these properties as governmental and future development, and transferred these properties to the City of San Juan Capistrano (City) pursuant to HSC 34191.5 (b), deemed effective on January 16, 2015. Therefore, the City is now responsible for legal costs associated with these assets.

During the Meet and Confer the Agency claimed that of the amount requested, \$15,000 is legal costs associated with other assets and enforceable obligations. HSC section 34171 (b) allows litigation expenses related to assets or obligations to be funded with property tax outside the administrative cap. However, Item 32 relates to general legal representation and not specifically to bring or contest a legal action in court; therefore, it is considered an administrative cost and it is not eligible for payment outside of the administrative cost cap. We note that the Agency requested that this item not be reclassified to administrative costs if it not approved during the Meet and Confer process. Therefore, no reclassification will be made.

In addition, per Finance's letter dated March 31, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 31– Property Maintenance totaling \$10,000 in Other Funds is not allowed. Finance approved the Agency's Long-Range Property Management Plan on January 16, 2015. The Agency designated the final disposition for these properties as governmental and future development, and transferred these properties to the City of San Juan Capistrano (City) pursuant to HSC 34191.5 (b), deemed effective on January 16, 2015. Therefore, the City is now responsible for property maintenance associated with these assets. Therefore, this item is not an enforceable obligation and is not eligible for Other Funds funding.

During our review, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (I) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. As the Agency no longer has Property Maintenance and Legal Costs associated with assets, obligations, and property, Other Funds are now available totaling \$10,509.

Therefore, the funding source for the following item has been reclassified to Other Funds and in the amount specified below:

- Item No. 6 – Fluidmaster Owner Participation Agreement in the amount of \$194,760. The Agency requests \$40,000 from RPTTF; however, Finance is reclassifying \$10,509 to Other Funds. This item is an enforceable obligation for the ROPS 15-16A period. However, the obligation does not require payment from property tax revenues and the Agency now has \$10,509 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$29,491 and the use of Other Funds in the amount of \$10,509, totaling \$40,000.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part, or the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16A. The Agency's maximum approved RPTTF distribution for the reporting period is \$2,323,400 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	2,522,810
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS	\$ 2,647,810
Total RPTTF requested for non-administrative obligations	2,522,810
<u>Denied Item</u>	
Item No. 14	(50,000)
Item No. 32	(49,491)
	(99,491)
<u>Reclassified Items</u>	
Item No. 6	(10,509)
Total RPTTF authorized for non-administrative obligations	\$ 2,412,810
Total RPTTF requested for administrative obligations	125,000
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 2,537,810
ROPS 14-15A prior period adjustment	(214,410)
Total RPTTF approved for distribution	\$ 2,323,400

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed

on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Michelle Bannigan, Assistant Finance Director, City of San Juan Capistrano
Mr. Frank Davies, Property Tax Manager, Orange County
California State Controller's Office

Subject:

From: Greg Blodgett <greg1@ci.garden-grove.ca.us>

Date: Mon, 13 Jul 2015 17:27:23 -0700 (PDT)

To: "Reid, Matthew" <matt.reid@landanddesign.com>

Draft revenues for all FSH model estimating 30million total sales for both examples

The Original DDA had a provision for a share of tax increment , and a share of agency cost. After the agency cost is paid back there is a substantial amount of TI

to the Developer. The Difference of the DDA vs the New resort Agreement is \$16 million. The original DDA get Tax credits for the Sunbelt property.

Greg Blodgett
SR Project Manager
City of Garden Grove
Economic Development

Rev sharing DDA vs Resort Agreement .xlsx	Content-Type: application/vnd.openxmlformats-officedocument.spreadsheetml.sheet Content-Encoding: base64
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	1.02 25000000 50% Tax Increment				1.02 30000000 50% Tax Increment				1.02 13,800,000 14% Deduction For Agency Cost				New resort Deal 2013 Developer's Share of Revenue \$ 4,350,000.00 60% of Hotel Tax				Difference
	50% Sales Tax Surbealt	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	50% Sales Tax	Total		
1	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 150,000	\$ 1,625,000	\$ 1,580,000	\$ 1,580,000	\$ 2,568,000	\$ 2,610,000	\$ 75,000	\$ 2,685,000	\$ 117,000				
2	\$ 76,500	\$ 76,500	\$ 76,500	\$ 76,500	\$ 153,000	\$ 1,657,500	\$ 1,580,000	\$ 1,580,000	\$ 2,650,960	\$ 2,662,700	\$ 76,500	\$ 2,728,700	\$ 87,740				
3	\$ 78,030	\$ 78,030	\$ 78,030	\$ 78,030	\$ 156,060	\$ 1,690,650	\$ 1,580,000	\$ 1,580,000	\$ 2,735,579	\$ 2,715,444	\$ 78,030	\$ 2,793,474	\$ 57,895				
4	\$ 79,591	\$ 79,591	\$ 79,591	\$ 79,591	\$ 159,181	\$ 1,724,463	\$ 1,580,000	\$ 1,580,000	\$ 2,821,891	\$ 2,769,753	\$ 79,591	\$ 2,849,343	\$ 27,453				
5	\$ 81,182	\$ 81,182	\$ 81,182	\$ 81,182	\$ 162,365	\$ 1,758,952	\$ 1,580,000	\$ 1,580,000	\$ 2,909,939	\$ 2,823,148	\$ 81,182	\$ 2,906,330	\$ 3,598				
6	\$ 82,806	\$ 82,806	\$ 82,806	\$ 82,806	\$ 165,612	\$ 1,794,131	\$ 1,580,000	\$ 1,580,000	\$ 2,999,727	\$ 2,881,651	\$ 82,806	\$ 2,964,457	\$ 67,576				
7	\$ 84,462	\$ 84,462	\$ 84,462	\$ 84,462	\$ 168,934	\$ 1,830,014	\$ 1,580,000	\$ 1,580,000	\$ 3,091,322	\$ 2,939,284	\$ 84,462	\$ 3,023,746	\$ 100,527				
8	\$ 86,151	\$ 86,151	\$ 86,151	\$ 86,151	\$ 172,303	\$ 1,866,614	\$ 1,580,000	\$ 1,580,000	\$ 3,184,748	\$ 2,998,070	\$ 86,151	\$ 3,084,221	\$ 134,138				
9	\$ 87,874	\$ 87,874	\$ 87,874	\$ 87,874	\$ 175,749	\$ 1,903,946	\$ 1,580,000	\$ 1,580,000	\$ 3,280,043	\$ 3,058,031	\$ 87,874	\$ 3,145,905	\$ 168,420				
10	\$ 89,632	\$ 89,632	\$ 89,632	\$ 89,632	\$ 179,264	\$ 1,942,025	\$ 1,580,000	\$ 1,580,000	\$ 3,377,244	\$ 3,119,192	\$ 89,632	\$ 3,208,824	\$ 203,289				
11	\$ 91,425	\$ 91,425	\$ 91,425	\$ 91,425	\$ 182,849	\$ 1,980,866	\$ 1,580,000	\$ 1,580,000	\$ 3,476,389	\$ 3,181,575	\$ 91,425	\$ 3,273,000	\$ 239,057				
12	\$ 93,253	\$ 93,253	\$ 93,253	\$ 93,253	\$ 186,506	\$ 2,020,483	\$ 1,580,000	\$ 1,580,000	\$ 3,577,517	\$ 3,245,207	\$ 93,253	\$ 3,338,460	\$ 285,577				
13	\$ 95,118	\$ 95,118	\$ 95,118	\$ 95,118	\$ 190,236	\$ 2,060,893	\$ 1,580,000	\$ 1,580,000	\$ 3,680,667	\$ 3,310,111	\$ 95,118	\$ 3,405,229	\$ 333,048				
14	\$ 97,020	\$ 97,020	\$ 97,020	\$ 97,020	\$ 194,041	\$ 2,102,111	\$ 1,580,000	\$ 1,580,000	\$ 3,786,880	\$ 3,376,313	\$ 97,020	\$ 3,473,334	\$ 381,647				
15	\$ 98,961	\$ 98,961	\$ 98,961	\$ 98,961	\$ 197,922	\$ 2,144,153	\$ 1,580,000	\$ 1,580,000	\$ 3,896,093	\$ 3,443,840	\$ 98,961	\$ 3,542,800	\$ 431,447				
16	\$ 100,940	\$ 100,940	\$ 100,940	\$ 100,940	\$ 201,880	\$ 2,187,036	\$ 1,580,000	\$ 1,580,000	\$ 4,009,344	\$ 3,512,716	\$ 100,940	\$ 3,613,656	\$ 481,747				
17	\$ 102,959	\$ 102,959	\$ 102,959	\$ 102,959	\$ 205,918	\$ 2,230,777	\$ 1,580,000	\$ 1,580,000	\$ 4,126,671	\$ 3,582,971	\$ 102,959	\$ 3,685,930	\$ 533,647				
18	\$ 105,018	\$ 105,018	\$ 105,018	\$ 105,018	\$ 210,036	\$ 2,275,392	\$ 1,580,000	\$ 1,580,000	\$ 4,248,108	\$ 3,654,630	\$ 105,018	\$ 3,759,648	\$ 586,947				
19	\$ 107,118	\$ 107,118	\$ 107,118	\$ 107,118	\$ 214,237	\$ 2,320,900	\$ 1,580,000	\$ 1,580,000	\$ 4,373,785	\$ 3,727,723	\$ 107,118	\$ 3,834,841	\$ 642,147				
20	\$ 109,261	\$ 109,261	\$ 109,261	\$ 109,261	\$ 218,522	\$ 2,367,318	\$ 1,580,000	\$ 1,580,000	\$ 4,503,752	\$ 3,802,277	\$ 109,261	\$ 3,911,538	\$ 698,447				
TOTAL	\$ 1,822,303	\$ 1,822,303	\$ 1,822,303	\$ 1,822,303	\$ 3,644,605	\$ 39,483,226	\$ 3,644,605	\$ 3,644,605	\$ 81,825,490	\$ 63,416,135	\$ 1,822,303	\$ 65,238,438	\$ 16,587,052				

Subject: Re: Site C DDA
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Tue, 14 Jul 2015 08:42:19 -0700
To: Grace Lee <gracel@ci.garden-grove.ca.us>
CC: Greg Blodgett <greg1@ci.garden-grove.ca.us>

Thank you

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jul 14, 2015, at 8:41 AM, Grace Lee <gracel@ci.garden-grove.ca.us> wrote:

Per your request, please find attached signed DDA.

Grace E. Lee
Sr. Economic Development Specialist
City of Garden Grove | Economic Development Division
11222 Acacia Parkway, Garden Grove, CA 92840
Tel. 714.741.5130 | Fax (714) 741-5205

<DDA.pdf>

PUBLIC HEARING - RESOLUTION APPROVING A GROVE DISTRICT RESORT HOTEL DEVELOPMENT AGREEMENT WITH LAND & DESIGN, INC. TO CONSTRUCT A RESORT HOTEL PROJECT TO BE LOCATED AT THE NORTHEAST CORNER OF HARBOR BOULEVARD AND TWINTREE LANE, GARDEN GROVE (F: A-55.368)

Staff report dated April 9, 2013, was introduced and reviewed by staff.

Mayor Broadwater declared the Public Hearing open and asked if anyone wished to address the City Council on the matter.

Speakers: Opposed to: Tony Flores and Josh McIntosh. In Support of: Errol Giuliano, representing the Garden Grove Chamber of Commerce; Matthew Reid, Land & Design, Inc. President.

There being no further response from the audience, the Public Hearing was declared closed.

RESOLUTION NO. 9172-13

It was moved by Council Member Beard, seconded by Council Member Nguyen, and carried by unanimous vote that full reading of Resolution No. 9172-13 be waived, and said Resolution entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, APPROVING GROVE DISTRICT RESORT HOTEL DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND LAND & DESIGN, INC., be and hereby is adopted.

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9172-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, APPROVING GROVE DISTRICT RESORT HOTEL DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND LAND & DESIGN, INC.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES HEREBY FIND AS FOLLOWS:

A. Land & Design, Inc. ("Developer") has proposed a development project consisting of a combination of hotels, retail, restaurant, and entertainment venues, and related parking facilities (the "Project"), for an approximately five (5) acre site located at the northeast corner of Harbor Boulevard and Twintree Lane (the "Site").

B. A small portion of the Site is owned by the City of Garden Grove, and the remainder of the Site is owned by the former Garden Grove Agency for Community Development (the "Agency").

C. On June 14, 2011, the Agency and the Developer entered into a Disposition and Development Agreement ("DDA") pertaining to the Site and the Project. In conjunction with the Agency's consideration and approval of the DDA, the City Council conducted a joint public hearing with the Agency, considered the evidence and testimony presented at the public hearing, and adopted Resolution No. 9045-11 making certain findings and consenting to the Agency's approval of the DDA. The findings contained in Resolution No. 9045-11 and the evidence and testimony presented at the June 14, 2011 joint public hearing are hereby incorporated by reference into this Resolution.

D. On or about December 12, 2012, the State Department of Finance determined that the DDA is not an "enforceable obligation" pursuant to the RDA Dissolution Act (Parts 1.8 and 1.85 of Division 24 of the Community Redevelopment Law, California Health and Safety Code Sections 33000, et seq.).

E. On November 13, 2012, the City Council adopted Resolution No. 9153-12 approving the International West Hotel – Harbor East (Site C) Mitigated Negative Declaration and Mitigation Monitoring Program, which analyzes the anticipated environmental impacts of the Project and provides for specified mitigation measures.

F. The City and Developer propose to enter into that certain Grove District Resort Hotel Development Agreement attached hereto at Exhibit "A" (the "Agreement"). Pursuant to the proposed Agreement, the Developer would agree to construct a resort hotel project on the Site meeting certain quality thresholds and consisting of up to three hotels, event/meeting space, a retail/restaurant/

entertainment component, and adequate structured parking (the "Project") and to operate the separate components of the Project in accordance with specified covenants. To assure the financial feasibility necessary to allow the construction and operation of the Project to proceed, the City would agree to convey the Site to the Developer, to make certain annual financial assistance payments to the Developer in an amount measured by the tax revenues to the City generated by the Project over a period of up to twenty (20) years, and to provide certain other economic assistance (collectively, the "Covenants Consideration"). Pursuant to the terms of the proposed Agreement, the City's obligation to convey the Site to the Developer is expressly contingent upon the approval by the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency"), the Oversight Board to the Successor Agency, and the Department of Finance of a Long Range Property Management Plan providing for transfer of the portion of the Site owned by the Agency to the City at no cost for development purposes.

G. The Council has been presented a report prepared by Horwath HTL, LLC ("Horwath"), dated March 20, 2013, containing an updated economic evaluation of the proposed Project on the Site, which report is hereby incorporated by reference into this Resolution. Based on the cost and revenue numbers for the Project, Horwath's report concludes that the Project's development costs compared to the estimated income and development values reasonably expected from the Project generates a negative residual land value, or financial feasibility gap, of approximately \$31.5 million, inclusive of City assistance in the form of conveyance of the Site at no cost to Developer. In addition, Horwath also evaluated other potential hotel and room number combinations permitted under the Agreement and concluded that all combinations resulted in a similar negative residual land value / feasibility gap.

H. On April 9, 2013, the City Council conducted a duly noticed Public Hearing, at which it considered the terms of the proposed Agreement, the March 20, 2013 Horwath report, the value of the assistance to provided by the City pursuant to the Agreement, the benefits the City will derive from the Agreement, the report of City Staff, and other evidence and testimony provided at the Public Hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Based on the evidence and testimony provided at the April 9, 2013 Public Hearing, the City Council hereby makes the following findings:

- A. The development and operation of the Project on the Site, as provided in the Agreement, is in the vital and best interest of the City and the welfare of its residents and is in accordance with the public purposes

and provisions of applicable state and local laws. Without limiting the foregoing, development and operation of the Project will result in substantial benefits to the City, which include (i) additional "Grove District" branding, (ii) job creation and enhanced revenues to the City resulting from construction and operation of the Project, including property taxes, sales taxes, and transient occupancy taxes, (iii) enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in the City as a result of additional attractions and high-quality retail shopping and dining opportunities, and (iv) additional high-quality entertainment, restaurant and retail opportunities for the residents of Garden Grove and the surrounding area(s).

- B. The benefits provided by the Project will result in substantially more benefits to the City than the costs to the City of providing the Covenants Consideration provided for in the Agreement.
- C. The Project would not be able to be developed and operated without the assistance to be provided pursuant to the Agreement.
- D. The Agreement will result in only that assistance to the Developer which is necessary to fund the economic feasibility gap created by the quality of the Project required by this Agreement, and the total value of the assistance to be provided by the City pursuant to the Agreement will not exceed the feasibility gap for the Project.
- E. The amount of each payment required to be made by the City under the Agreement is a fair exchange for the consideration actually furnished pursuant to the Agreement by Developer during each fiscal year of the City in which payment is made; each payment to be made by the City under the Agreement has been calculated so that it will not exceed the resources available to make such payment; and in no event shall the City be immediately indebted to Developer for the aggregate payments provided for pursuant to the Agreement.

SECTION 2. The Grove District Resort Hotel Development Agreement between the City of Garden Grove and Land & Design, Inc., attached hereto at Exhibit "A", is hereby approved.

SECTION 3. The City Manager is hereby authorized to execute the Agreement and any related attachments, including any minor modifications as appropriate, and any other pertinent documents necessary to effectuate and/or implement the Agreement.

SECTION 4. The City Manager or his duly authorized representative is further authorized to implement the Agreement and take all further actions and execute all documents referenced therein and/or necessary and appropriate to carry out the Agreement. The City Manager or his duly authorized representative is hereby authorized to the extent necessary during the implementation of the Agreement to make technical or minor changes thereto after execution, as necessary to properly implement and carry out the Agreement, provided the changes shall not in any manner materially affect the rights and obligations of the City.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

Adopted this 9th day of April 2013.

ATTEST:

/s/ BRUCE A. BROADWATER
MAYOR

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, KATHLEEN BAILOR, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on the 9th day of April 2013, by the following vote:

AYES: COUNCIL MEMBERS: (5) BEARD, JONES, NGUYEN, PHAN, BROADWATER
NOES: COUNCIL MEMBERS: (0) NONE
ABSENT: COUNCIL MEMBERS: (0) NONE

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
Dept: City Manager
Subject: APPROVAL OF GROVE DISTRICT
RESORT HOTEL DEVELOPMENT
AGREEMENT WITH LAND & DESIGN,
INC. (HARBOR BOULEVARD &
TWIN TREE LANE)

From: Kingsley Okereke
Dept: Finance
Date: April 9, 2013

OBJECTIVE

The purpose of this report is to provide information in connection with a Public Hearing for the City Council to consider the Grove District Resort Hotel Development Agreement ("Agreement") by and between the City of Garden Grove and Land & Design, Inc. (the "Developer").

BACKGROUND

The Developer has proposed a development project consisting of a combination of hotels, retail, restaurant, and entertainment venues, and related parking facilities (the "Project"), for an approximately five (5) acre site located at the northeast corner of Harbor Boulevard and Twintree Lane (the "Site"). A small portion of the Site is owned by the City, and the remainder of the Site is owned by the former Garden Grove Agency for Community Development (the "Agency").

On June 14, 2011, the former Agency and the Developer entered into a Disposition and Development Agreement ("DDA") pertaining to the Site and the Project. However, the State Department of Finance subsequently determined that the DDA is not an "Enforceable Obligation" pursuant to the RDA Dissolution Act (Parts 1.8 and 1.85 of Division 24 of the Community Redevelopment Law, California Health and Safety Code Sections 33000, et seq.).

In order to facilitate the development and operation of the Project on the Site, in November 2012, the City Council approved General Plan Amendment No. GPA-2-12(B), Planned Unit Development No. PUD-128-12, and the International West Hotel - Harbor East (Site C) Mitigated Negative Declaration and Mitigation Monitoring Program. Planned Unit Development No. PUD-128-12 authorizes the development of a hotel development project on the Site that consists of an aggregate total of a maximum of 769 rooms within one (1) Upper Upscale Hotel and two (2) Additional Hotels, with up to 39,000 square feet of conference space, a maximum of 20,000 aggregate square feet of interior restaurant space within the

three (3) hotels, up to 45,000 square feet or restaurant/entertainment space constructed on free-standing pads, and structured parking to serve the Project.

DISCUSSION

Pursuant to the proposed Agreement, the Developer would agree to construct a resort hotel project on the Site meeting certain quality thresholds and consisting of up to three hotels, event/meeting space, a retail/restaurant/entertainment component, and adequate structured parking (the "Project") and to operate the separate components of the Project in accordance with specified covenants. To assure financial feasibility necessary to allow the construction and operation of the Project to proceed, the City would agree to convey the Site to the Developer and to make certain annual financial assistance payments to the Developer in an amount measured by the tax revenues to the City generated by the Project over a period of up to twenty (20) years. The proposed Agreement between the City and the Developer is necessary to facilitate development of the proposed Project.

Summary of Deal Points

The proposed Agreement contains the business terms for implementing the Project and establishes the obligations and responsibilities of both the City and the Developer. Following is a summary of pertinent deal points contained within the proposed Agreement:

1. Conveyance of Site to Developer

The City's and the Developer's obligations under the Agreement are expressly contingent upon the approval by the Successor Agency, the Oversight Board, and the Department of Finance of a Long Range Property Management Plan providing for transfer of the portion of the Site owned by the Agency to the City at no cost for development purposes. Provided such approval is obtained, and subject to satisfaction of other specified conditions precedent, the City will then convey the entire Site to the Developer, cleared of all structures, in consideration of the Developer's construction and operation of the Project in accordance with the Agreement.

2. Site remediation.

The City will pay up to \$250,000 for site remediation if it is determined that site remediation is required.

3. Escrow.

Escrow is scheduled to close on or before September 1, 2015. The Schedule of Performance provides for up to two six (6) month extensions of this outside closing

date, provided the Franchise Agreement for the Upper Upscale Hotel remains in effect and neither the Developer nor Franchisor is in breach or default of the Agreement.

4. Third Party Property

Planned Unit Development No. PUD-128-12 encompasses property adjacent to the Site that is currently privately owned by a third party, Sunbelt Investments. Under the proposed Agreement, the Developer has the option of acquiring this Third Party Property, at its own cost, and adding it to the Site for purposes of developing a portion of the Project on it. The City would not be obligated under the Agreement to acquire this Third Party Property for the Developer, however, and the Developer is not required to incorporate it into the Project. If the Developer chooses to do so, however, the Third Party Property would be subject to all of the same covenants and obligations of the Developer under the Agreement that apply to the rest of the Site.

5. Scope of Project

The proposed Agreement permits the Developer to construct the project contemplated in Planned Unit Development No. PUD-128-12. Pursuant to the Schedule of Performance, construction of the Project is to be completed within twenty-six (26) months of Close of Escrow.

Hotel Component

Pursuant to the Agreement, the Developer will construct a combination of hotels consisting of at least one (1) full-service hotel of "upper upscale" quality (the "Upper Upscale Hotel(s)") and up to two (2) additional limited and/or full service hotels of at least "midscale" quality (the Additional Hotel(s)), and which contain, in the aggregate, a maximum of seven hundred sixty nine (769) rooms, a maximum of thirty-nine thousand (39,000) square feet of event/meeting space, and a maximum of twenty thousand (20,000) aggregate square feet of interior restaurant/bar space.

The Upper Upscale Hotel must contain no less than three hundred (300) rooms and not less than ten thousand (10,000) square feet of event/meeting space, and the finishes, standards and quality of the Upper Upscale Hotel(s) must equal or exceed those of the Westin Pasadena. The Additional Hotels must contain no less than one hundred twenty-five (125) rooms each and no less than two hundred fifty (250) rooms combined, and the finishes, standards and quality of the Additional Hotel(s) must equal or exceed those of the Homewood Suites Garden Grove.

Retail/Restaurant/Entertainment Component

The Project must include a minimum of five thousand (5,000) and a maximum of sixty-five thousand (65,000) square feet of retail/restaurant/entertainment establishments, including one (1) or more restaurants (the "Retail/Restaurant/Entertainment Component").

Parking Structures

The Developer will be required to construct adequate structured parking to serve the Project.

6. City Approval of Financing, Franchisors, and Operators

Developer's construction financing, the Hotel flags/operators and related franchise agreements, and the tenants/operators of the retail/restaurant/entertainment venues are all subject to City approval. Certain Hotel brands/operators and restaurant and entertainment venues are deemed pre-approved (Exhibit L to Agreement).

7. Land Use Approvals

If the Project is consistent with the provisions of Planned Unit Development No. PUD-128-12 and the conceptual site plan included therein, no further discretionary site plan approvals for the Hotels or parking structures will be necessary. In order to fully implement the Project, however, the Developer will be required to obtain certain additional land use entitlements from the City, including, without limitation, a subdivision map to consolidate the properties within the Site and/or to permit development of the parking Structures across legal lot lines (the "Subdivision Map"), a statutory development agreement between the City and the Developer, conditional use permits to allow for the sale of alcoholic beverages, conditional use permit(s) to allow for the operation of a health club(s), spa(s), and/or gym(s) on the Site, and approvals of site plans for each freestanding pad to be constructed as part of the Retail/Restaurant/Entertainment Component. In addition, if the ultimate building configuration, building height, or other characteristics of the Project significantly differ from those expressly contemplated in Planned Unit Development No. PUD-128-12, then the Developer will be required to obtain the additional necessary discretionary land use approvals and pay for any associated additional environmental review.

The Developer's securing of all necessary land use approvals for the Project is a condition precedent to the Close of Escrow and City's conveyance of the Site to the Developer.

Provided the Project is substantially consistent with the Conceptual Site Plan, the City will pay all costs associated with preparation of the Subdivision Map. The Developer will be responsible for all other costs, charges, and fees associated securing the necessary land use approvals, including, without limitation, the City's customary development fees.

8. Right of Re-Entry

If the Developer abandons the Project prior to completion of construction, the City has the right to re-enter and re-take possession of the Site and re-vest title in the City.

9. Off-Site Infrastructure

The City will be responsible for the cost of installation of a traffic signal at the entrance to the Project and related raised median improvements within Harbor Boulevard, as well as necessary public improvements required to be installed in the public right-of-way in conjunction with the Project; however, the Developer will be responsible for all sidewalks, driveways, street lights, pedestrian light standards, signs, parkway landscaping, and/or other improvements constructed behind the back of the curb face.

10. Developer's Operating Covenants

In addition to requiring City approval of the Hotel brands/operators, the Agreement requires the Hotels to meet specified quality thresholds and contain specific amenities. Further, once developed, the Developer and any successor owners will be required to continue to use, operate and maintain the Site and separate Project components in accordance with the covenants set forth in the Agreement.

11. City Financial Assistance

To assist in creating future financial feasibility necessary to allow the construction and operation of the Project to proceed, the Agreement provides for the City to make certain annual financial assistance payments to the Developer over a period of twenty (20) years in an amount measured by the tax revenues to the City generated by the Project. Based on the assumptions utilized by the City's economic consultant in calculating the Project's residual land value, the Net Present Value ("NPV") of these financial assistance payments over 20 years is estimated to be approximately \$17.6 million. The amount and length of the assistance payments are summarized as follows:

- Each Upper Upscale Hotel
 - 60% of amount of TOT revenues received by City with respect to Hotel
 - 50% of amount of Sales Tax revenues attributable to operation of Hotel received by City
 - Length of assistance payments: 20 years
- Each Additional Hotel
 - 50% of amount of TOT revenues received by City with respect to Hotel
 - 50% of amount of Sales Tax revenues attributable to operation of Hotel received by City
 - Length of assistance payments: 10 years
- Retail/Restaurant/Entertainment Component
 - 50% of amount of Sales Tax revenues attributable to each separate retail/restaurant/entertainment venue
 - Length of assistance payments: 20 years

Updated Residual Land Value Evaluation

At the City's request, Horwath HTL, LLC ("Horwath"), the City's economic consultant prepared an updated economic evaluation of the proposed Project on the Site. Horwath's analysis assumes a 360 room Upper Upscale Hotel, a 150 room suites oriented hotel, and a 150 room select service hotel. Based on the cost and revenue numbers provided by the Developer, Horwath concluded that the Project's development costs compared to the estimated income and development values reasonably expected from the Project generates a negative residual land value of approximately \$31.5 million, inclusive of City assistance in the form of conveyance of the Site at no cost to Developer. This financial feasibility gap is consistent with industry standards for a project of this type. Horwath also evaluated other potential hotel and room number combinations permitted under the Agreement and concluded that all combinations resulted in a similar negative residual land value. Accordingly, development of the Project would not be feasible without the economic assistance provided for in the Agreement.

City Benefits

Development and operation of the Project will result in substantial benefits to the City. These benefits include:

- It is estimated that the Project will generate approximately between \$3.8 and \$4.9 million per year (in today's dollars) in additional tax revenue to the City over the life of the Project.

<u>Type</u>	<u>Estimated Range (Annually)</u>
TOT	\$3.5 Million - \$4.3 Million
Sales Tax	\$160,000- \$360,000
Property Tax	\$192,000 - \$268,000

- The Project is projected to generate approximately 750 to 1025 construction jobs and permanent and temporary hotel restaurant and retail jobs.
- Enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in the City as a result of additional attractions and high-quality retail shopping and dining opportunities.
- Additional high-quality entertainment, restaurant and retail opportunities for the residents of Garden Grove and the surrounding areas.
- Benefits from additional "Grove District" branding.

Environmental Review

The Project contemplated by this Agreement was analyzed in the International West Hotel – Harbor East (Site C) Mitigated Negative Declaration and Mitigation Monitoring Program, adopted by the City Council on November 13, 2012. Accordingly, no additional environmental review is required at this time.

FINANCIAL IMPACT

There will be no immediate financial impact to the City as a result of this Agreement. The City and/or former Garden Grove Agency for Community Development already own the entire Site. The Party's obligations under the Agreement are contingent upon future approval of a Long Range Property Management Plan providing for transfer of the Agency-owned portion of the Site to the City at no cost. If such a transfer occurs, the City will incur certain expenses related to clearance of the Site, environmental remediation (if necessary) the preparation of a subdivision map, and the construction of certain off-site public improvements. The cost of these items is not expected to exceed \$1,000,000.

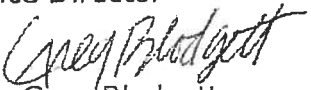
Once the Project is constructed and begins operating, it will generate an estimated \$3.8 and \$4.9 million additional annual tax revenue to the City. The tax revenue generated by the Project will exceed the required City financial assistance payments to the Developer by more than 40% in the first 10 years of the Project's operation and by more than 50% in the next 10 years of the Project's operation.

RECOMMENDATION

Staff recommends the City Council take the following actions:

- Conduct a Public Hearing;
- Adopt the attached Resolution approving the attached Grove District Resort Hotel Development Agreement with Land & Design, Inc.; and
- Authorize the City Manager to execute the Agreement, including any minor modifications as appropriate, and any other pertinent documents necessary to effectuate and/or implement the Agreement.

KINGSLEY OKEREKE
Finance Director

By: 
Greg Blodgett
Senior Project Manager

Attachment 1 Resolution
Attachment 2: Proposed Agreement
Attachment 3: Horwath HTL Report

Recommended for Approval


Matthew Feral
City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE,
CALIFORNIA, APPROVING GROVE DISTRICT RESORT HOTEL DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND LAND & DESIGN, INC.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES
HEREBY FIND AS FOLLOWS:

A. Land & Design, Inc. ("Developer") has proposed a development project consisting of a combination of hotels, retail, restaurant, and entertainment venues, and related parking facilities (the "Project"), for an approximately five (5) acre site located at the northeast corner of Harbor Boulevard and Twintree Lane (the "Site").

B. A small portion of the Site is owned by the City of Garden Grove, and the remainder of the Site is owned by the former Garden Grove Agency for Community Development (the "Agency").

C. On June 14, 2011, the Agency and the Developer entered into a Disposition and Development Agreement ("DDA") pertaining to the Site and the Project. In conjunction with the Agency's consideration and approval of the DDA, the City Council conducted a joint Public Hearing with the Agency, considered the evidence and testimony presented at the Public Hearing, and adopted Resolution No. 9045-11 making certain findings and consenting to the Agency's approval of the DDA. The findings contained in Resolution No. 9045-11 and the evidence and testimony presented at the June 14, 2011, joint Public Hearing are hereby incorporated by reference into this Resolution.

D. On or about December 12, 2012, the State Department of Finance determined that the DDA is not an "Enforceable Obligation" pursuant to the RDA Dissolution Act (Parts 1.8 and 1.85 of Division 24 of the Community Redevelopment Law, California Health and Safety Code Sections 33000, et seq.).

E. On November 13, 2012, the City Council adopted Resolution No. 9153-12 approving the International West Hotel – Harbor East (Site C) Mitigated Negative Declaration and Mitigation Monitoring Program, which analyzes the anticipated environmental impacts of the Project and provides for specified mitigation measures.

F. The City and Developer propose to enter into that certain Grove District Resort Hotel Development Agreement attached hereto as Exhibit "A" (the "Agreement"). Pursuant to the proposed Agreement, the Developer would agree to construct a resort hotel project on the Site meeting certain quality thresholds and consisting of up to three hotels, event/meeting space, a retail/restaurant/entertainment component, and adequate structured parking (the "Project") and to operate the separate components of the Project in accordance with specified covenants. To assure the financial feasibility necessary to allow the construction

and operation of the Project to proceed, the City would agree to convey the Site to the Developer, to make certain annual financial assistance payments to the Developer in an amount measured by the tax revenues to the City generated by the Project over a period of up to twenty (20) years, and to provide certain other economic assistance (collectively, the "Covenants Consideration"). Pursuant to the terms of the proposed Agreement, the City's obligation to convey the Site to the Developer is expressly contingent upon the approval by the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency"), the Oversight Board to the Successor Agency, and the Department of Finance of a Long Range Property Management Plan providing for transfer of the portion of the Site owned by the Agency to the City at no cost for development purposes.

G. The City Council has been presented a report prepared by Horwath HTL, LLC ("Horwath"), dated March 20, 2013, containing an updated economic evaluation of the proposed Project on the Site, which report is hereby incorporated by reference into this Resolution. Based on the cost and revenue numbers for the Project, Horwath's report concludes that the Project's development costs compared to the estimated income and development values reasonably expected from the Project generates a negative residual land value, or financial feasibility gap, of approximately \$31.5 million, inclusive of City assistance in the form of conveyance of the Site at no cost to Developer. In addition, Horwath also evaluated other potential hotel and room number combinations permitted under the Agreement and concluded that all combinations resulted in a similar negative residual land value/feasibility gap.

H. On April 9, 2013, the City Council conducted a duly noticed Public Hearing, at which it considered the terms of the proposed Agreement, the March 20, 2013 Horwath report, the value of the assistance to provided by the City pursuant to the Agreement, the benefits the City will derive from the Agreement, the report of City Staff, and other evidence and testimony provided at the Public Hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Based on the evidence and testimony provided at the April 9, 2013 Public Hearing, the City Council hereby makes the following findings:

- A. The development and operation of the Project on the Site, as provided in the Agreement, is in the vital and best interest of the City and the welfare of its residents and is in accordance with the public purposes and provisions of applicable state and local laws. Without limiting the foregoing, development and operation of the Project will result in substantial benefits to the City, which include (i) additional "Grove District" branding, (ii) job creation and enhanced revenues to the City resulting from construction and operation of the Project, including

property taxes, sales taxes, and transient occupancy taxes, (iii) enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in the City as a result of additional attractions and high-quality retail shopping and dining opportunities, and (iv) additional high-quality entertainment, restaurant and retail opportunities for the residents of Garden Grove and the surrounding area(s).

- B. The benefits provided by the Project will result in substantially more benefits to the City than the costs to the City of providing the Covenants Consideration provided for in the Agreement.
- C. The Project would not be able to be developed and operated without the assistance to be provided pursuant to the Agreement.
- D. The Agreement will result in only that assistance to the Developer which is necessary to fund the economic feasibility gap created by the quality of the Project required by this Agreement, and the total value of the assistance to be provided by the City pursuant to the Agreement will not exceed the feasibility gap for the Project.
- E. The amount of each payment required to be made by the City under the Agreement is a fair exchange for the consideration actually furnished pursuant to the Agreement by Developer during each fiscal year of the City in which payment is made; each payment to be made by the City under the Agreement has been calculated so that it will not exceed the resources available to make such payment; and in no event shall the City be immediately indebted to Developer for the aggregate payments provided for pursuant to the Agreement.

SECTION 2. The Grove District Resort Hotel Development Agreement between the City of Garden Grove and Land & Design, Inc., attached hereto as Exhibit "A", is hereby approved.

SECTION 3. The City Manager is hereby authorized to execute the Agreement and any related attachments, including any minor modifications as appropriate, and any other pertinent documents necessary to effectuate and/or implement the Agreement.

SECTION 4. The City Manager or his duly authorized representative is further authorized to implement the Agreement and take all further actions and execute all documents referenced therein and/or necessary and appropriate to carry out the Agreement. The City Manager or his duly authorized representative is hereby authorized to the extent necessary during the implementation of the Agreement to make technical or minor changes thereto after execution, as necessary to properly implement and carry out the Agreement, provided the

changes shall not in any manner materially affect the rights and obligations of the City.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

GROVE DISTRICT RESORT HOTEL DEVELOPMENT AGREEMENT

By and Between

CITY OF GARDEN GROVE

and

LAND & DESIGN, INC.

TABLE OF CONTENTS

	Page
100. INTRODUCTORY PROVISIONS	4
101. Definitions.	4
102. Representations, Warranties and Covenants.	14
102.1 City Representations Warranties and Covenants.	14
102.2 Developer's Representations, Warranties and Covenants.	15
103. Transfers of Interest in Site or Agreement and/or Change in Ownership and/or Control of Developer.	16
103.1 Prohibition Against Transfers and/or Change in Ownership and/or Control of Developer Prior to Release of Construction Covenants.	16
103.2 Permitted Transfers.	17
103.3 City Consideration of Requested Transfer After Release of Construction Covenants.	18
103.4 Assignment and Assumption Agreement.	18
103.5 City Action Regarding Requested Transfer.	18
103.6 Initial Selection and/or Subsequent Changes or Transfers with Respect to the Hotel Operator, Franchisor, and Tenants; Approval of the Franchise Agreement.	18
103.7 Transfer of Covenant Consideration.	19
103.8 Purpose and Effect of Restrictions on Transfers and/or Change in Ownership and/or Control of Developer.	19
200. DISPOSITION OF THE SITE	20
201. Conveyance of the Site to Developer.	20
201.1 Consideration for Site.	20
201.2 Condition of Site.	20
201.3 Opening and Close of Escrow.	20
201.4 Submittal of Documents.	21
201.5 Post-Closing Deliveries by Escrow.	22
201.6 Payment of Escrow Costs.	22
202. Review of Title.	22
203. Title Policy.	23
204. Studies, Reports.....	23
204.1 Site Investigation.	23
204.2 As-Is Environmental Condition.	24
204.3 Indemnities and Release Re Hazardous Material.....	24
205. Conditions to Closing.	25
205.1 City's Conditions Precedent.	25
205.2 Developer's Conditions Precedent.	26
205.3 Termination of Agreement Due to Failure of Conditions Precedent. .	27
300. DEVELOPMENT OF THE SITE	27
301. Scope of Development.....	27
301.1 Improvements.	27
301.2 City Improvements.	28
301.3 Parking Structures.	28

TABLE OF CONTENTS
(Continued)

	Page
301.4 Third Party Property.	29
302. Construction Drawings and Related Documents.	29
303. Land Use Approvals.	29
304. Schedule of Performance.	30
305. Cost of Construction.	30
306. Insurance Requirements.	30
306.1 Insurance Coverage.	30
306.2 Policy Provisions.	31
307. Developer's Indemnity; City Indemnity.	32
308. Rights of Access.	33
309. Compliance with Governmental Requirements.	33
309.1 Nondiscrimination in Employment.	33
310. Release of Construction Covenants.	33
311. Financing of the Developer Improvements.	34
311.1 Approval of Financing.	34
311.2 Holder Not Obligated to Construct Developer Improvements.	34
311.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.	35
311.4 Failure of Holder to Complete the Construction of the Developer Improvements.	35
311.5 Right of the City to Cure Mortgage or Deed of Trust Default.	36
400. COVENANTS AND RESTRICTIONS.	36
401. Covenant to Develop, Use and Operate the Site in Accordance with Land Use Approvals and this Agreement.	36
402. Maintenance and Security Covenants.	36
403. Nondiscrimination.	36
404. Prevailing Wages.	38
405. Point of Sale and/or Use.	39
406. Effect of Violation of the Terms and Provisions of this Agreement.	39
407. Covenants Consideration (City Assistance).	39
408. Tax Rebate Payments.	39
408.1 Upper Upscale Hotel Tax Rebate Payments.	40
408.2 Additional Hotel Tax Rebate Payments.	40
408.3 Retail/Restaurant/Entertainment Component Tax Rebate Payments.	40
408.4 Timing of Tax Rebate Payments.	40
408.5 Conditions Precedent to Remittance of Tax Rebate Payments.	40
408.6 Tax Revenues Not Security for Tax Rebate Payments.	40
409. Allocation of Tax Rebate Payments.	40
500. DEFAULTS AND REMEDIES.	41
501. Default Remedies.	41
502. Institution of Legal Actions.	41

TABLE OF CONTENTS
(Continued)

	Page
503. Re-entry and Revesting of Title in the City After the Closing and Prior to Completion of Construction.	41
504. Rights and Remedies Are Cumulative.	43
505. Inaction Not a Waiver of Default.	43
506. Applicable Law.	44
600. GENERAL PROVISIONS	44
601. Notices, Demands and Communications Between the Parties.	44
602. Extension of Times of Performance.	44
603. Non Liability of Officials and Employees of City and Developer.	45
604. Relationship Between City and Developer	45
605. City Approvals and Actions Through City Manager.	45
606. Commencement of City Review Period.	45
607. Successors and Assigns.	45
608. Assignment by City.	45
609. Counterparts.	46
610. Integration.	46
611. Attorneys' Fees.	46
612. Administration.	46
613. Titles and Captions.	46
614. Interpretation.	46
615. No Waiver.	46
616. Modifications.	47
617. Severability.	47
618. Computation of Time.	47
619. Legal Advice.	47
620. Time of Essence.	47
621. Cooperation.	47
622. Conflicts of Interest.	47
623. Time for Acceptance of Agreement by the City.	47
624. Consideration of Agreement Modification.	48
625. Recordation of Memorandum of Agreement.	48
626. Repudiation of DDA Between Developer and Agency.	48

LIST OF EXHIBITS

EXHIBIT A	SITE MAP
EXHIBIT B	LEGAL DESCRIPTION
EXHIBIT C	SCOPE OF DEVELOPMENT
EXHIBIT D	SCHEDULE OF PERFORMANCE
EXHIBIT E	ASSIGNMENT AND ASSUMPTION AGREEMENT
EXHIBIT F	GRANT DEED
EXHIBIT G	RELEASE OF CONSTRUCTION COVENANTS
EXHIBIT H	RIGHT OF ENTRY
EXHIBIT I	PREVAILING WAGE AND PUBLIC WORKS REQUIREMENTS
EXHIBIT J	CONCEPTUAL SITE PLAN
EXHIBIT K	MEMORANDUM OF AGREEMENT
EXHIBIT L	PRE-APPROVED HOTEL FLAGS/OPERATORS AND RETAIL/RESTAURANT/ENTERTAINMENT COMPONENT TENANTS/OPERATORS

GROVE DISTRICT RESORT HOTEL DEVELOPMENT AGREEMENT

This GROVE DISTRICT RESORT HOTEL DEVELOPMENT AGREEMENT (this "Agreement") dated for purposes of identification only as of April 9, 2013 (the "Date of this Agreement"), is entered into by and between the CITY OF GARDEN GROVE, a municipal corporation (the "City"), and LAND & DESIGN, INC., a California corporation, or any approved affiliate, assignee or successor thereto permitted pursuant to the terms of this Agreement (the "Developer").

RECITALS

A. The property which is the subject of this Agreement is approximately five acres (5) acres located at the northeast corner of Harbor Boulevard and Twintree Lane in the City of Garden Grove and is comprised of certain property owned by the City ("City Property"), certain property currently owned by the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Agency Property"), and certain property currently privately owned by third parties, but which the Developer may purchase or lease in the future ("Third Party Property"). The City Property and the Agency Property are collectively referred to herein as the "Site." The Third Party Property is adjacent to the Site and, if purchased or leased by the Developer, may be added to the Site for purposes of construction and operation of the Project contemplated by this Agreement. The City Property, the Agency Property, and the Third Party Property are shown on the Site Map (Exhibit A) and legally described in the Legal Description (Exhibit B).

B. The Developer has proposed a development project for the Site generally consisting of a combination of hotels, retail, restaurant, and entertainment venues, and related parking facilities, and specifically including the following components:

1. A combination of hotels consisting of at least one (1) full-service hotel of "upper upscale" quality (the "Upper Upscale Hotel(s)") and up to two (2) additional limited and/or full service hotels of at least "midscale" quality (the "Additional Hotel(s)"), and which contain, in the aggregate, a maximum of seven hundred sixty nine (769) rooms, a maximum of thirty-nine thousand (39,000) square feet of event/meeting space, and a maximum of twenty thousand (20,000) aggregate square feet of interior restaurant/bar space;

2. A minimum of five thousand (5,000) and a maximum of sixty-five thousand (65,000) square feet of retail/restaurant/entertainment establishments, including one (1) or more restaurants (the "Retail/Restaurant/Entertainment Component"); and

3. Adequate structured parking, as required ("Parking Structures").

The Upper Upscale Hotel(s), the Additional Hotel(s), the Retail/Restaurant/Entertainment Component, the Parking Structures, and the other improvements required and/or contemplated to be constructed on the Site pursuant to this Agreement and the Land Use Approvals are collectively referred to herein as the "Developer Improvements" or "Project," and individually as the "Separate Component(s)." The Project, including the permissible combination of Hotels, is more specifically described in the Scope of Development (Exhibit C).

C. The City previously approved General Plan Amendment No. GPA-2-12(B) (the "General Plan Amendment") and Planned Unit Development No. PUD-128-12 (the "PUD") to facilitate the development and operation of the Project on the Site and the Third Party Property. The City also previously adopted a Mitigated Negative Declaration and Mitigation Monitoring Program for the GPA, the PUD, and the additional future entitlements necessary to implement the Project (the "MND"). The General Plan Amendment, the PUD, and the MND are collectively referred to herein as the "Existing Land Use Approvals." The provisions and development standards of the PUD authorize the development of a hotel development that consists of an aggregate total of a maximum of 769 rooms within one (1) Upper Upscale Hotel and two (2) Additional Hotels, with up to 39,000 square feet of conference/meeting/banquet space, a maximum of 20,000 aggregate square feet of interior restaurant/bar space within the three (3) hotels, up to 45,000 square feet of restaurant/entertainment space constructed on freestanding pads, and structured parking to serve the Project. Pursuant to the provisions of the PUD, if the City determines that the Developer's submittal of development plans are in substantial compliance with the provisions of the PUD and in similar shape, form and configuration with the conceptual site plans included with the City's approval of the PUD, the Developer may proceed to securing the appropriate building permits for constructing the Project (other than the restaurants and/or entertainment venues on freestanding pads) without further discretionary site plan approvals. In order to fully implement the Project, however, certain additional discretionary land use entitlements will be necessary, including, without limitation, a subdivision map to consolidate the properties within the Site and/or to permit development of the Parking Structure(s) across legal lot lines (the "Subdivision Map"), a statutory development agreement between the City and the Developer (the "Development Agreement"), conditional use permits to allow for the sale of alcoholic beverages in the Separate Components, conditional use permit(s) to allow for the operation of a health club(s), spa(s), and/or gym(s) on the Site, and approvals of site plans for each freestanding pad to be constructed as part of the Retail/Restaurant/Entertainment Component.

D. In connection with the development and initial operation of the Project, to assist in creating future financial feasibility necessary to allow the construction and operation of the Project to proceed, the Developer has requested certain financial assistance from the City in the form of the conveyance of the City Property and Agency Property to the Developer, the construction of certain Offsite Infrastructure, payment of the costs associated with preparation of the Subdivision Map, and financial assistance consisting of rebates of a portion of the Transient Occupancy Tax Revenues and Sales Tax Revenues generated by the Project over a period of twenty (20) years (the "Tax Rebate Payments"). Conveyance of the Site, the construction of certain Offsite Infrastructure, the payment of the costs associated with preparation of the Subdivision Map, and the payment of the Tax Rebate Payments is collectively referred to herein as the "Covenants Consideration." In return for the Covenants Consideration, the Developer agrees to construct the Project as provided herein and, for so long as the City is providing any Covenants Consideration, to operate the Separate Components of the Project in accordance with the Covenants established by this Agreement. The City has determined that the Project would not be able to be developed and operated without the assistance provided by this Agreement and that this Agreement will result in only that assistance to the Developer which is necessary to fund the economic feasibility gap created by the quality of the Project required by this Agreement.

E. On June 28, 2011, Parts 1.8 and 1.85 of Division 24 of the Community Redevelopment Law ("CRL"), California Health and Safety Code Sections 33000, *et seq.*, were added by Assembly Bill X1 26 ("RDA Dissolution Act"). The RDA Dissolution Act provides for the statewide dissolution of all redevelopment agencies as of October 1, 2011, and provides that, thereafter, a successor agency will administer the enforceable obligations of redevelopment agencies and otherwise wind up their affairs. The City became the Successor Agency to the former Garden Grove Agency for Community Development pursuant to Part 1.85 of the CRL. On December 29, 2011, in *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the RDA Dissolution Act and extended the deadlines in the RDA Dissolution Act by four months.

F. On June 27, 2012, the State Legislature passed AB 1484 as part of the budget trailer bill for the 2011-2012 Legislative Session, amending the RDA Dissolution Act to clarify certain provisions of the RDA Dissolution Act and to provide for new regulations pertaining to the disposition of real estate held by successor agencies. AB 1484 added sections 34179.5 through 34179.7 to the California Health & Safety Code to require due diligence reviews or audits of successor agency assets to determine amounts in cash available for distribution to taxing agencies. If a successor agency remits available cash assets to County auditor-controllers for distribution to taxing agencies pursuant to the new requirements, such successor agency is to be issued a "finding of completion" certifying that such agency has complied with the due diligence requirements. As of the date of this Agreement, the Agency has not yet been issued a "finding of completion."

G. AB 1484 further added a new Chapter 9 to Part 1.85 of the Health & Safety Code, commencing with Section 34191.1, applicable to successor agencies that receive a "finding of completion." Chapter 9 authorizes a successor agency that receives a "finding of completion" to prepare a long-range property management plan to address the use and disposition of the real property of the former redevelopment agency. If approved by the oversight board of the successor agency and the Department of Finance, the plan may provide for, among other things, the retention of such property for future development and/or transfer of such property to the city for such purposes. As of the date of this Agreement, a long-range property management plan has not yet been approved by the Agency, the Oversight Board, or the Department of Finance.

H. Provided a long-range property management plan providing for transfer of the Agency Property to the City at no cost for development purposes is approved by the Agency, the Oversight Board, and the Department of Finance, which approval the City intends to use best efforts to facilitate, the City and the Developer desire by this Agreement, and subject to its terms and provisions, (1) for the City to provide the Covenants Consideration to Developer, and (2) for the Developer (a) to acquire the Site, (b) to process the Additional Land Use Approvals, and (c) to construct and operate the Developer Improvements in accordance with the Covenants.

I. The City has established a special zone along Harbor Boulevard south of the City of Anaheim border marketed as the "Grove District." The City markets the Grove District as Southern California's premier resort destination, within the heart of Orange County's largest tourist center, with easy access to the most popular Southern California attractions like Disneyland, Disney's California Adventure, Knott's Berry Farm, Universal Studios, Sea World, and miles of Orange County beaches. The Grove District includes modern hotels that offer a

variety of room sizes and rates, plus entertainment and dining to meet every tourist and business traveler's needs. The Project will add additional hotel, meeting space, restaurant, and entertainment amenities to the Grove District brand.

J. The development and operation of the Project on the Site, as provided in this Agreement, is in the vital and best interest of the City and the welfare of its residents and is in accordance with the public purposes and provisions of applicable state and local laws. Without limiting the foregoing, development and operation of the Project will result in substantial benefits to the City, which include (i) additional Grove District branding, (ii) job creation and enhanced revenues to the City resulting from construction and operation of the Project, including property taxes, sales taxes, and transient occupancy taxes, (iii) enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in the City as a result of additional attractions and high-quality retail shopping and dining opportunities, and (iv) additional high-quality entertainment, restaurant and retail opportunities for the residents of Garden Grove and the surrounding area(s). The City further finds that the benefits provided by the Project will result in substantially more benefits to the City than the costs to the City of providing the Covenants Consideration.

NOW, THEREFORE, the City and the Developer hereby agree as follows:

100. INTRODUCTORY PROVISIONS

101. **Definitions.** Capitalized terms within this Agreement shall have the meanings set forth below, or if not defined in this Section 101, shall have the meaning ascribed thereto when such terms are first used herein:

"Additional Hotel(s)" means a limited and/or full-service Hotel or Hotels of "midscale" or "upscale" quality, the characteristics and the minimum standards for which are described in Recital B, in Section 301.1, and in the Scope of Development.

"Additional Land Use Approvals" means all Land Use Approvals other than Existing Land Use Approvals.

"Agency" means the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, a public body formed pursuant to pursuant to Part 1.85 of the CRL and the RDA Dissolution Act.

"Agency Property" means that certain property identified as Agency Property on the Site Map and described in the Legal Description.

"Agreement" means this Grove District Resort Hotel Development Agreement by and between the City and Developer, including all exhibits, and all amendments and modifications hereto.

"ALTA Policies and Endorsements" is defined in Section 203.

"Amendment/Estoppel Costs" is defined in Section 621.

"Applicable Covenants Consideration Period" means, with respect to any portion of the Site and/or Developer Improvements, the period during which any of the Tax Rebate Payments with respect to the applicable portion of the Site and/or Developer Improvements is required to be paid pursuant to Section 408.

"Assignment and Assumption Agreement" is attached hereto as Exhibit E and incorporated herein by reference.

"Breach" is defined in Section 501.

"CFD" means a community facilities district formed pursuant to Mello-Roos Community Facilities Act of 1982 (Government Code §§ 53311 *et seq.*).

"CFD Bonds" means bonds issued by a CFD.

"CFD Financing" is defined in Section 301.3.

"City" means the City of Garden Grove, a California municipal corporation, and any assignee of or successor to its rights, powers and responsibilities.

"City Improvements" is defined in Section 301.2.

"City Improvement Costs" is defined in Section 301.2.

"City Manager" means the City Manager of the City, or his or her designee.

"City Property" means that certain property identified as City Property on the Site Map and described in the Legal Description

"City's Conditions Precedent" is defined in Section 205.1.

"Closing" or **"Close of Escrow"** is defined in Section 201.5.

"Closing Date" is the date upon which conveyance of the Site is consummated in accordance with Section 201.3 hereof.

"CLTA Policy" is defined in Section 203.

"Commence Construction" or **"Commencement of Construction"** means the commencement of construction of the applicable portion of the Developer Improvements pursuant to a validly issued building permit, it being agreed that the pouring of foundations for such portion of the Developer Improvements constitutes commencement of construction thereof (without limiting other indicia of such commencement).

"Community Redevelopment Law" or **"CRL"** means California Health and Safety Code Sections 33000, *et seq.* as the same now exists or may hereafter be amended.

"Completion of Construction" or **"Complete(s) Construction"** or **"Completed Construction"** or **"Completing Construction"** means the completion of construction of the

Developer Improvements, or any of the Separate Components thereof, as evidenced by a final Certificate of Occupancy issued by the City, certification by the Project Architect and the City Manager that such Developer Improvements are complete in accordance with the Land Use Approvals and, in the case of a Hotel, the Hotel and all its rooms are open and available to the public.

"Conceptual Site Plan" means that certain conceptual site plan approved by the City in conjunction with Planned Unit Development No. PUD-128-12 generally depicting the proposed development and use of the Site, which is attached hereto as Exhibit J and incorporated herein by reference.

"Conditions Precedent" shall mean the City's Conditions Precedent and Developer's Conditions Precedent set forth in Section 205.

"Construction Commencement Date" means the date that is set forth in the Schedule of Performance as the date upon which the Commencement of Construction is to occur.

"Construction Drawings" is defined in Section 302.

"Construction Financing" is defined in Section 311.1 hereof.

"Construction Lender" is defined in Section 311.

"Conveyance" means the conveyance of the City Property and the Agency Property to the Developer by Grant Deed.

"Covenants" means the covenants, obligations and promises of Developer hereunder, including without limitation the covenants, obligations and promises set forth in Section 102.2, 103, 204.2, 204.3, 301, 303 through 309, inclusive, 400, 503 and 603, which Covenants shall survive the Closing, run with the land and be binding upon heirs, successors and assigns of Developer.

"Covenants Consideration" means, collectively, the economic assistance to be provided by the City to the Developer as provided in Section 407 hereof.

"Date of this Agreement" means the date of approval of the Agreement by the City.

"Declaration" means a Declaration of Covenants, Conditions and Restrictions to be recorded against the Site which will be mutually agreed to by the City and the Developer prior to Closing, which Declaration shall address the management, operation, rules of conduct, security and access rights and other easements with respect to the Project.

"Default" is defined in Section 501.

"Department of Finance" or **"DOF"** means the California Department of Finance.

"Deposit" is defined in Section 201.3.

"Developer" means Land & Design, Inc., a California corporation, and any affiliate, assignee or successor thereto permitted pursuant to the terms of this Agreement. As of the date of this Agreement, Matthew Reid and David Rose, in the aggregate, have (i) at least a fifty-one percent (51%) ownership interest in Land & Design, Inc., and (ii) subject to the customary rights of other non-managerial members, partners or shareholders, as applicable, operational and managerial control of Developer and, subject to Section 103 hereof, will retain same until the issuance of Release of Construction Covenants.

"Developer Improvements" means the Hotels, the Retail/Restaurant Entertainment Component, the Parking Structures, each as generally described in Recital B above and/or more particularly described herein and in the Scope of Development, and such other related improvements required and/or contemplated to be constructed on the Site pursuant to this Agreement and the Land Use Approvals.

"Developer Parties" means collectively Developer and Matthew Reid and David Rose.

"Developer/City Request" is defined in Section 621.

"Developer's Conditions Precedent" is defined in Section 205.2.

"Development Agreement" means a development agreement pursuant to Government Code Section 65864 *et seq.*

"Due Diligence Date" means ninety (90) days following the later of (a) Date of this Agreement or (b) the date the City has fee title to all of the Site.

"Enforced Delay" is defined in Section 602.

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC §§ 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 USC §§ 1801 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended (42 USC §§ 6901 *et seq.*), the Toxic Substances Control Act (15 USC §§ 2601 *et seq.*), the Insecticide, Fungicide, Rodenticide Act (7 USC §§ 136 *et seq.*), the Superfund Amendments and Reauthorization Act (42 USC §§ 6901 *et seq.*), the Clean Air Act (42 USC §§ 7401 *et seq.*), the Safe Drinking Water Act (42 USC §§ 300f *et seq.*), the Solid Waste Disposal Act (42 USC §§ 6901 *et seq.*), the Surface Mining Control and Reclamation Act (30 USC §§ 1201 *et seq.*), the Emergency Planning and Community Right to Know Act (42 USC §§ 11001 *et seq.*), the Occupational Safety and Health Act (29 USC §§ 655 and 657), the California Underground Storage of Hazardous Substances Act (Health and Safety Code §§ 25280 *et seq.*), the California Hazardous Substances Account Act (Health & Safety Code §§ 25300 *et seq.*), the Porter-Cologne Water Quality Act (Water Code §§ 13000 *et seq.*), together with any amendments of or regulations promulgated thereunder and any other federal, state, and local laws, statutes, ordinances, or regulations now in effect that pertain to environmental protection, occupational health or industrial hygiene.

"Escrow" is defined in Section 201.3.

"Escrow Agent" is defined in Section 201.3.

"Existing Land Use Approvals" means (i) General Plan Amendment No. GPA-2-12(B), approved by the Garden Grove City Council on November 13, 2012; (ii) Planned Unit Development No. PUD-128-12, adopted by the Garden Grove City Council on November 27, 2012; and (iii) the International West Hotel – Harbor East (Site C) Mitigated Negative Declaration and Mitigation Monitoring Program adopted by the Garden Grove City Council on November 13, 2012.

"Finding of Completion" means a certification issued to the Agency by the Department of Finance pursuant to California Health & Safety Code Section 34179.7.

"Franchisor" or "Franchisors" is defined in Section 103.6.

"Franchise Agreement" or "Franchise Agreements" is defined in Section 103.6.

"Governmental Requirement(s)" means all valid and enforceable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County of Orange, the City or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, the Developer or the Site, including, without limitation, all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation (to the extent applicable), Labor Code Sections 1770 *et seq.*, the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

"Grant Deed" or "Grant Deeds" means one or more grant deeds in the form of Exhibit F attached hereto and incorporated herein by reference, by which the City shall convey fee title to the City Property and the Agency Property to the Developer.

"Hazardous Materials" means any toxic substance, material, or waste which is now regulated by any local governmental authority, the State of California, or the United States Government under any Environmental Law including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) a petroleum or refined petroleum product, including without limitation petroleum-based paints and solvents, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether (MTBE); (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (x) designated as a

"hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1317), (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, (xii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*, (xiii) any flammable or explosive materials, (xiv) a radioactive material, or (x) lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds and including any different products and materials which have been found to have adverse effects on the environment or the health and safety of persons.

"Holder" is defined in Section 311.2.

"Hotels" means the Upper Upscale Hotel(s) and the Additional Hotels, and **"Hotel"** means any one (1) of the Upper Upscale Hotel(s) and the Additional Hotels.

"Hotel Operator" or **"Hotel Operators"** is defined in Section 103.6.

"Indemnify" means indemnify, defend, pay for and hold harmless.

"Indemnitees" means the City and the Agency, and their respective s, officers, officials, agents, employees, representatives, and volunteers.

"Insurance" is defined in Section 306 *et seq.*

"Land Use Approvals" means the Existing Land Use Approvals, the Subdivision Map, the Development Agreement, conditional use permits to allow for the sale of alcoholic beverages in the Separate Components, conditional use permit(s) to allow for the operation of a health club(s), spa(s), and/or gym(s) on the Site, site plan approvals for each freestanding pad to be constructed as part of the Retail/Restaurant/Entertainment Component, grading permits, building permits, plumbing permits, electrical permits, and any and all land use and/or other entitlements, permits, or approvals required by the Governmental Requirements in connection with construction and operation of the Developer Improvements.

"Legal Description" means the legal description of the Site attached hereto as Exhibit B and incorporated herein by reference.

"Liabilities" means liabilities, suits, actions, claims, demands, penalties, damages (including without limitation, penalties, fines, and monetary sanctions), giving rise to losses, costs or expenses (including, without limitation, consultants' fees, and reasonable attorneys' fees) of any kind or nature and for any damages, including damages to property or injuries to person, including accidental death, (including reasonable attorneys' fees and costs in connection therewith).

"Loan Balance" means, with respect to any Holder and its mortgage or deed of trust, the sum of the following amounts: (a) the aggregate unpaid amount (including, but not limited to, principal, protective advances, interest, fees, costs and expenses) owing to the Holder under the loan documents ("Holder Loan Documents") secured by such Holder's mortgage or deed of trust upon the Site (or any part thereof) immediately prior to the reversion of title in City (referred to

herein as "Revesting") in accordance with this Agreement, whether City exercises such right of Revesting prior to such Holder's acquisition of Site (or portion thereof) by foreclosure or deed in lieu of foreclosure, or after completion of a foreclosure under such Holder's mortgage or deed of trust (or acceptance and recordation of a deed-in-lieu of such foreclosure); plus (b) all third party costs and expenses reasonably incurred by such Holder (and/or such Holder's Nominee) under, or in connection with the enforcement of the applicable Holder Loan Documents, including, without limitation, foreclosure costs and expenses (or deed-in-lieu of foreclosure costs and expenses) (such costs and expenses to include, but not be limited to, title charges, default interest, appraisals, environmental assessments and reasonable attorneys' fees and expenses); plus (c) if City commences the exercise of its Revesting after such Holder's (or its Nominee's) acquisition of the Site (or any portion thereof) by foreclosure or deed-in-lieu of foreclosure, all third party costs and expenses, if any, reasonably incurred by such Holder (and/or such Holder's Nominee) in connection with the management and operation of the Site subsequent to the date upon which a foreclosure under such mortgage or deed of trust is completed [or such Holder or its Nominee accepts a deed in lieu of foreclosure]; plus (d) all third party costs and expenses reasonably incurred by such Holder (and/or such Holder's Nominee) in connection with the construction, Developer Improvements (including tenant improvements), restoration, repair and equipping of the Site (or any portion thereof); plus (e) if City commences the exercise of its right of Revesting after such Holder's (or its Nominee's) acquisition of the Site (or any portion thereof) by foreclosure or deed-in-lieu of foreclosure, an amount equal to the interest that would have accrued on the aggregate of the amounts described above under the Holder Loan Documents had all such amounts become part of the debt secured by such Holder's mortgage or deed of trust and had such debt continued in existence from the date of such foreclosure (or acceptance of a deed-in-lieu of foreclosure) by such Holder or its Nominee to the date the Revesting occurs and City reenters in accordance with this Agreement. (For purposes of this definition, the City's right to Revest in accordance with this Agreement shall not be deemed to have occurred prior to the date the Loan Balance is paid to the Holder (or its Nominee) in accordance with the Agreement). Each Holder (or its Nominee) shall provide City with its calculations of the Loan Balance and documents in support thereof within ten (10) days after written demand therefore by the City.

"Long Range Property Management Plan" means the long-range property management plan authorized by California Health and Safety Code Section 34191.5.

"Memorandum of Agreement" is attached hereto as Exhibit K and incorporated herein by reference.

"MND" means the International West Hotel – Harbor East (Site C) Mitigated Negative Declaration and Mitigation Monitoring Program adopted by the Garden Grove City Council on November 13, 2012 pursuant to Resolution No. 9153-12.

"Negotiated Purchase Agreement" is defined in Section 201.1.

"Nominee" means an entity which is owned and controlled by any Holder.

"Notice" is defined in Section 601.

"Official Records" means the official records of the Office of the Registrar Recorder of Orange County, California.

"Offsite Infrastructure" means the traffic signal and raised median improvements described in Performance Standards Nos. 8 and 9, respectively, of the PUD, and such other public improvements required to be constructed and/or installed in the public right-of-way pursuant to the Land Use Approvals (excluding any sidewalks, driveways, street lights, pedestrian light standards, signs, parkway landscaping, and/or other improvements to be constructed from the back of the curb face by Developer pursuant to the Scope of Development), including any required environmental mitigation measures directly related to the construction and/or installation of such public improvements.

"Oversight Board" means the oversight board to the Agency created and existing pursuant to the CRL and the RDA Dissolution Act (as amended by AB 1484).

"Parcel(s)" means one or more of the parcels into which the Site is divided pursuant to the Subdivision Map.

"Parking Structures" are the multi-level parking structures described in the Scope of Development.

"Permitted Transfer[s]" is defined in Section 103.2.

"Person" means an individual, corporation, limited liability company, partnership, joint venture, association, firm, joint stock company, trust, unincorporated association or other entity.

"Phase I Environmental Assessment" means an assessment to identify Recognized Environmental Concerns defined under ASTM Standards E-1527-00 as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, past release, or material threat of a release of any hazardous substance or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property.

"Phase II Environmental Assessment" means an evaluation of the Recognized Environmental Concerns identified in the Phase I Environmental Site Assessment for the purpose of providing sufficient information regarding the nature and extent of contamination.

"Pre-Approved Additional Flag(s)/Operator(s)" is attached hereto as Exhibit L and incorporated herein by reference.

"Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s)" is attached hereto as Exhibit L and incorporated herein by reference.

"Pre-Approved Upper-Upscale Flag(s)/Operator(s)" is attached hereto as Exhibit L and incorporated herein by reference.

"Presence" means the presence, release, use, generation, discharge, storage and disposal of any Hazardous Materials.

"Prevailing Wage and Public Works Requirements" are attached hereto as Exhibit I and incorporated herein by reference.

"Project" means the development and operation of the Developer Improvements.

"Project Architect" means the architect retained by the Developer to prepare the Construction Drawings and supervise construction of the Project.

"PUD" means Planned Unit Development No. PUD-128-12, approved by the Garden Grove City Council on November 27, 2012 pursuant to Ordinance No. 2824.

"Recognized Environmental Concerns" means the presence or possible presence of any hazardous substances or petroleum products on the Site under conditions that indicate an existing or possible release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the Site or into the ground, ground water, or surface water of the Site. The term is not intended to include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not Recognized Environmental Conditions.

"Release of Construction Covenants" means the document which evidences Developer's satisfactory Completion of Construction of the Developer Improvements, or a part thereof, as set forth in Section 310, in the form of Exhibit G attached hereto and incorporated herein by reference.

"Retail/Restaurant/Entertainment Component" is defined in Recital B and, as provided therein, means the retail/restaurant/entertainment portion of the Project, consisting of a minimum of five thousand (5,000) square feet and a maximum of sixty-five thousand (65,000) square feet, including at least one (1) restaurant.

"Revesting" is defined in the definition of "Loan Balance."

"Right of Entry" is described in Section 204 hereof and attached hereto as Exhibit H and incorporated herein by reference.

"Sales Tax Revenues" means those sales tax revenues received by the City pursuant to the Bradley Burns Uniform Sales and Use Tax Law (California Revenue and Taxation Code Section 7200 *et. seq.*) due to operation of the Separate Components of the Developer Improvements.

"Schedule of Performance" means that certain Schedule of Performance attached hereto as Exhibit D and incorporated herein by reference, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time due to the application of Section 602 hereof and as set forth therein or as otherwise mutually agreed upon in writing between Developer and the City Manager, and the City Manager is authorized to make such revisions as he deems reasonably necessary.

"Scope of Development" means that certain Scope of Development attached hereto as Exhibit C, which describes the scope, amount and quality of development of the Developer Improvements to be completed by Developer and City Improvements to be completed by City pursuant to the terms and conditions of this Agreement.

"Separate Components of the Developer Improvements" or "Separate Components" means each Hotel, the Retail/Restaurant/Entertainment Component and the Parking Structures, and/or the separate parcels comprising each.

"Site" means, collectively, the City Property and the Agency Property, and, if the Developer elects to so add it to the Site pursuant to Section 301.4 hereof, the Third Party Property.

"Site Condition" is defined in Section 204.2.

"Site Map" means the map of the Site and the Sunbelt Property which is attached hereto as Exhibit A and incorporated herein by reference.

"State" means the State of California.

"Subdivision Map" means a tract map, parcel map, condominium map, lot line adjustment and/or other subdivision in compliance with all applicable laws, consolidating the Site and creating separate legal parcels for some or all of the Separate Components to the extent and in size and location required by Developer and approved by the City.

"Tax Rebate Payments" means, collectively, the aggregate amounts to be paid to Developer pursuant to Section 408 hereof. As used in this Agreement, the term "Tax Rebate Payments" shall be deemed to mean payment to the Developer of an amount of money as measured by City revenue from a category of taxes (i.e., Transient Occupancy Tax Revenues and/or Sales Tax Revenues). Under no circumstances shall the term "Tax Rebate Payments" be construed to mean payment to the Developer of an amount of money from a specific source or fund.

"Tenant(s)" mean the business(es) occupying the Retail/Restaurant/Entertainment Component, regardless of whether the interest of the owner(s) of such business(es) in the applicable portion(s) of the Site is that of an owner(s), tenant(s), or licensee(s).

"Third Party Property" means that certain property owned by third parties and identified on the Site Map as the Third Party Property and described in the Legal Description, which Developer may, at Developer's sole cost and expense, elect to purchase, lease or otherwise acquire and to add to the Site for purposes of development and operation of a portion of the Project.

"Title Company" is defined in Section 202 hereof.

"Title Policies" means the CLTA Policy and the ALTA Policies and Endorsements as defined in Section 203 hereof.

"Title Report" is defined in Section 202.

"Transfer" means any total or partial sale, transfer, conveyance, assignment, subdivision, financing, refinancing, lease, sublease, or license of the Site or any portion thereof.

"Transferee" means a voluntary or involuntary successor in interest to the Developer.

"Transient Occupancy Tax Revenues" means those revenues imposed and collected by the City with respect to the Hotels pursuant to Chapter 3.12 of Title 3 of the Garden Grove Municipal Code.

"Upper Upscale Hotel(s)" means a full-service Hotel or Hotels of "upper upscale" or greater quality, the characteristics and minimum standards for which are described in Recital B, in Section 301.1, and in the Scope of Development.

"Vacation Ownership Resort (Timeshare)" means a timeshare facility in which a person or entity receives the right in perpetuity, for life or for a specific period of time, to the recurrent, exclusive use or occupancy of a lot, parcel, unit, space, or portion of real property for a period of time which has been or will be allocated from the use or occupancy periods into which the facility has been divided. A vacation ownership resort interest may be coupled with an estate in real property, or it may entail a license, contract, membership, or other right of occupancy not coupled with an estate in the real property.

102. Representations, Warranties and Covenants.

102.1 City Representations Warranties and Covenants. The City hereby makes the representations, warranties and covenants contained below in this Section 102.1. All of the representations and warranties set forth in this Section 102.1 are effective as of the Date of this Agreement, are true in all material respects as of the Date of this Agreement, and shall be true in all material respects as of the Closing Date, and each shall survive the execution of this Agreement without limitation as to time.

(a) The City is a municipal corporation of the State of California, existing pursuant to the general laws and Constitution of the State of California. The execution and delivery of this Agreement by the City has been fully authorized by all requisite actions.

(b) The City's execution and delivery of this Agreement does not violate any applicable laws, regulations, or rules nor to the best of City's knowledge after due inquiry, will it constitute a breach or default under any contract, agreement, or instrument to which the City is a party, or any judicial or regulatory decree or order to which the City is a party or by which it is bound; provided however that while City believes this Agreement to be enforceable in accordance with its terms, City makes no representations or warranties regarding the enforceability hereof.

(c) The City has not made an assignment for benefit of creditors, filed a petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of or trustee for it or any substantial part of its property, or commenced any proceeding relating to the City under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect. There has not been commenced nor is there pending against the City any proceeding of the nature described in

the first sentence of this subsection (c). No order for relief has been entered with respect to the City under the Federal Bankruptcy Code.

(d) All documents, instruments and other information delivered by the City to Developer pursuant to this Agreement, other than documents, instruments and other information received by City from third parties, are, to the best of City's knowledge, true, accurate, correct and complete in all material respects.

(e) The City has taken all legally required actions, and no further consent, approval, or authorization of any third person is required with respect to the City's execution, delivery, and performance of this Agreement, other than consents, approvals, and authorizations which have already been unconditionally given or which are otherwise expressly contemplated by this Agreement and/or are conditions precedent to City's performance under this Agreement.

(f) The City is not a "foreign person" within the parameters of Foreign Investors in U.S. Real Property Tax Act ("FIRPTA"), or is exempt from the provisions of FIRPTA, or the City has complied and will comply with all the requirements under FIRPTA.

(g) Until the Closing Date and thereafter, the City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 102.1 not to be true as of the Closing Date, give written notice of such fact or condition to Developer as soon as is reasonably practicable.

Each of the foregoing items (a) through (g), inclusive shall be deemed to be ongoing representations, warranties and covenants.

102.2 Developer's Representations, Warranties and Covenants. Developer hereby makes the representations, warranties and covenants contained below in this Section 102.2. All of the representations and warranties set forth in this Section 102.2 are effective as of the Date of this Agreement, are true in all material respects as of the Date of this Agreement, and shall be true in all material respects as of the Closing Date, and each shall survive the execution of this Agreement without limitation as to time.

(a) Developer is a duly organized California corporation and in good standing under the laws of the State of California and is authorized to carry on its business in California as such business is now conducted and to own and operate its properties and assets now owned and being operated by it, and as set forth in and anticipated by this Agreement. Developer has full right, power and lawful authority to enter into this Agreement and the execution and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of Developer. Developer has provided the City with true and correct copies of documentation reasonably acceptable to the City Manager, or his/her designee, designating the party authorized to execute this Agreement on behalf of Developer.

(b) Developer's execution, delivery and performance of its obligations under this Agreement will not violate any applicable laws, regulations, or rules nor to the best of Developer's knowledge after due inquiry, will it constitute a breach or default under any contract, agreement, or instrument to which Developer is a party, or any judicial or regulatory decree or order to which Developer is a party or by which it is bound.

(c) Developer has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of or trustee for it or any substantial part of its property, or commenced any proceeding relating to Developer under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect. There has not been commenced nor is there pending against Developer any proceeding of the nature described in the first sentence of this subsection (c). No order for relief has been entered with respect to Developer under the Federal Bankruptcy Code.

(d) All documents, instruments, and other information delivered by Developer to the City pursuant to this Agreement are, to the best of Developer's knowledge, true, accurate, correct and complete in all material respects.

(e) This Agreement and all documents to be delivered by Developer pursuant to this Agreement, when executed by Developer and delivered, shall constitute the legal, valid and binding obligation of Developer. The Developer has taken all legally required actions, and no further consent, approval, or authorization of any third person is required with respect to the Developer's execution, delivery, and performance of this Agreement, other than consents, approvals, and authorizations which have already been unconditionally given.

(f) Until the Closing Date and thereafter, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 102.2 not to be true as of the Closing Date, immediately give written notice of such fact or conditions to the City.

Each of the foregoing items (a) to (f), inclusive shall be deemed to be ongoing representations, warranties and covenants.

103. Transfers of Interest in Site or Agreement and/or Change in Ownership and/or Control of Developer.

103.1 Prohibition Against Transfers and/or Change in Ownership and/or Control of Developer Prior to Release of Construction Covenants.

(a) As of the date of this Agreement, Developer represents and warrants that Matthew Reid and David Rose have, in the aggregate, (i) at least a fifty-one percent (51%) ownership interest in Developer and (ii) subject to the customary rights of other non-managerial members, partners or shareholders, as applicable, operational and managerial control of Developer and, subject to this Section 103, shall retain same until the issuance of Release of Construction Covenants. Notwithstanding the foregoing, a Transfer to an entity in which Matthew Reid and David Rose have not less than ten percent (10%) ownership interest, or the subsequent reduction of the ownership interest held by Matthew Reid and David Rose in any entity, shall be permitted with City's approval, which approval may be granted or withheld in the sole and absolute discretion of the City, if such Transfer or reduction is required by an equity participant or joint venture partner as a condition to providing additional funds for the development of the Developer Improvements or applicable portion thereof.

(b) In addition to the foregoing, except as expressly set forth in Section 103.2 below, for the period commencing upon the Date of this Agreement and until the

issuance of the Release of Construction Covenants, no Transferee shall acquire any rights or powers under this Agreement, nor shall Developer make any Transfer, of the whole of the Site or any part, of the Developer Improvements without the prior written approval of the City, which approval may be granted or withheld in the sole and absolute discretion of the City.

(c) Following the issuance of the Release of Construction Covenants, any Transfer shall be governed by Section 103.3. City and Developer hereby acknowledge that, subject to Section 103.2 below, Developer likely will form separate legal entities to own and develop the separate components (i.e., each Hotel, the Parking Structure, the separate pads comprising the Retail/Restaurant/Entertainment Component, etc.) of the Developer Improvements.

103.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, both before and after the issuance of the Release of Construction Covenants, the City approval of an assignment of this Agreement or Transfer of the Site (or any portion thereof), shall not be required in connection with any of the following (each of which shall be "Permitted Transfer"):

(a) The conveyance or dedication of any portion of the Site to the City, City or other appropriate governmental agency, or for the purpose of the granting of easements, permits or similar rights to facilitate construction, use and/or operation of the Developer Improvements.

(b) Any Transfer for Construction Financing purposes (subject to such Construction Financing being in compliance with Section 311.1 herein), including the grant of a deed of trust to secure the funds necessary for land acquisition, construction and permanent financing of the Developer Improvements, as applicable.

(c) Any collateral assignment of the Tax Rebate Payments for purposes of borrowing money to be used on the Project.

(d) Any Transfer or assignment of this Agreement to an entity in which (i) Developer and/or Matthew Reid and David Rose retain operational control over the management, development and construction of the Developer Improvements (subject to the right of non-managerial members, partners, or shareholders, as applicable, to exercise voting rights with respect to so-called "major decisions") and (ii) Developer and/or Matthew Reid and David Rose in the aggregate have not less than fifty-one percent (51%) ownership interest.

(e) Any Transfer to a Holder, or its Nominee by foreclosure or deed in lieu of foreclosure, or to a third party purchaser at a foreclosure sale or after foreclosure by the Holder or its Nominee.

(f) Any Transfer to a lessee or sublessee of a portion of the Project that is incidental to the primary purpose of the Developer Improvements (by example only, and not as a limitation, lease of restaurant space), provided such lessee or sublessee is consistent with the overall purposes of the Development Improvements, this Agreement, and the Covenants.

(g) Any Transfer of a separate legal parcel within the Site and the Hotel(s) thereon after the Applicable Covenants Consideration Period with respect thereto has expired.

103.3 City Consideration of Requested Transfer After Release of Construction Covenants. Subject to City's rights pursuant to Section 103.6, below, and without limiting Developer's rights under Section 103.2 above, all Transfers following issuance of a Release of Construction Covenants (and prior to expiration of the Applicable Covenants Consideration Period) shall be in accordance with the provisions of this Section 103.3. In the event of any proposed Transfer following the issuance of a Release of Construction Covenants (and prior to expiration of the Applicable Covenants Consideration Period) with respect to any or all of the Developer Improvements, Developer shall deliver written Notice to City requesting approval of such Transfer, which Notice shall be accompanied by sufficient evidence regarding the proposed Transferee's net worth, development and operational qualifications and experience, and its financial resources, in sufficient detail to enable the City to evaluate the proposed Transferee pursuant to the criteria set forth hereinbelow and as reasonably determined by the City. In this regard, the City agrees that it will not unreasonably withhold approval of a request of a Transfer made after the issuance of the Release of Construction Covenants with respect to the applicable portion of the Site. The City shall evaluate each proposed Transferee over which City has approval rights on the basis of its qualifications and experience, and its financial commitments and resources. City may not disapprove any such proposed Transferee that demonstrates to the reasonable satisfaction of the City that the transferee/assignee or its guarantor has a net worth sufficient to provide the requisite equity and access to debt offered by an institutional commercial real estate lender so as to permit the financing of the acquisition and operation of the Developer Improvements located on the applicable portion of the Site and transferee/assignee and/or its contract manager or the individual within the contract management entity responsible for management of such Developer Improvements has at least ten (10) years recent experience owning or operating hotel/retail/restaurant projects similar to such Hotel(s). Nothing in this Section 103.3 shall limit City's rights to approve the selection and/or change of all Hotel Operators, Franchisors, and Tenants pursuant to Section 103.6, below.

103.4 Assignment and Assumption Agreement. For so long as City is required to provide any Covenants Consideration, an executed Assignment and Assumption Agreement (or a document effecting a Transfer that includes the substantive provisions of the Assignment and Assumption Agreement) shall be required for all proposed Transfers with respect to the portion of the Site so transferred and/or assignments of this Agreement, whether or not City's consent is required with respect to such Transfer or assignment. If the Transfer or assignment involves the obligation of the Transferee or assignee to construct specific Developer Improvements, City is hereby granted the right to compel Developer to enforce any such construction obligation. Upon the full execution of an Assignment and Assumption Agreement, the Transferee thereafter shall have all of the rights and obligations of the Developer under this Agreement with respect to the portion of the Site and the Developer Improvements Transferred thereto and/or developed thereby.

103.5 City Action Regarding Requested Transfer. Within thirty (30) days after the receipt of a written Notice requesting City approval of a Transfer pursuant to Sections 103.3 and 103.7, the City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, the City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to the City such further information as may be reasonably requested.

103.6 Initial Selection and/or Subsequent Changes or Transfers with Respect to the Hotel Operator, Franchisor, and Tenants; Approval of the Franchise Agreement. The selection of the operator for each Hotel (separately, the "Hotel Operator" and, collectively, the "Hotel

Operators”) and brand or franchisor for each Hotel (separately, the “Franchisor” and, collectively, the “Franchisors”), as well as the franchise agreement or management agreement between the Franchisor and Developer for each Hotel (separately, the “Franchise Agreement” and, collectively, the “Franchise Agreements”), shall be subject to approval by the City, acting in its reasonable discretion and based on consistency with the quality of the Hotels as described in Section 301.1 and the Scope of Development both initially and until expiration of the Applicable Covenants Consideration Period for each Hotel. Both initially and during the Applicable Covenants Consideration Period, City shall also have the right to approve, acting in its reasonable discretion, all Tenants based on consistency with the quality of the Upper-Upscale Hotel as required herein. Notwithstanding anything to the contrary contained herein, the Pre-Approved Upper-Upscale Flag(s)/Operator(s), Pre-Approved Additional Flag(s)/Operator(s) and Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s) are each hereby approved by the City for all purposes of this Agreement. Prior to or concurrently with City's approval the initial Hotel Operators and/or Franchise Agreements, the City and the Developer shall agree in writing which Hotel(s) constitute Upper Upscale Hotel(s) and which Hotel(s) constitute Additional Hotel(s) for the purposes of this Agreement.

103.7 Transfer of Covenant Consideration. Notwithstanding anything herein to the contrary (i) both before and after the issuance of the Release of Construction Covenants, except as to a collateral assignment described in Section 103.3(c), the approval of an assignment of the Tax Rebate Payments, or any portion thereof, separate and apart from a Transfer of the Site or the corresponding part thereof (i.e., an assignment of the Tax Rebate Payments not in conjunction with the Transfer of the applicable portion of the Site and Hotel(s)), shall require the consent of the City which consent shall be granted or withheld in the absolute discretion of the City; and (ii) no separate or additional approval of an assignment of the applicable Tax Rebate Payments, or a portion thereof, that is made in conjunction with a Transfer of the Site or the corresponding part thereof shall be required from the City.

103.8 Purpose and Effect of Restrictions on Transfers and/or Change in Ownership and/or Control of Developer.

(a) The restrictions contained in this Section 103 are imposed because qualifications and identity of Developer are of particular concern to the City, and it is because of those qualifications and identity that the City has entered into this Agreement with Developer. The Parties specifically affirm City's reliance upon the qualifications and identity of Developer to undertake and perform the items set forth in the Agreement in exchange for City's economic assistance, which assistance Developer intends to employ to generate additional income from the Hotel(s), and that Developer's qualifications and performance under this Agreement were specifically bargained for by the City in exchange for City's assistance. Developer hereby agrees that no voluntary or involuntary successor to any interest of Developer under a Transfer or a change in ownership and/or control of Developer not permitted by this Agreement shall acquire any rights pursuant to this Agreement, and any purported Transfer or change of ownership and/or control of Developer in violation of the provisions set forth herein shall be of no legal force and effect.

(b) Notwithstanding anything in this Agreement which is or appears to be to the contrary, Developer agrees that, in addition to all other City rights with respect to Transfers subject to City approval under this Agreement, the City shall have the right to refuse to consent to any Transfer if Developer is then in Breach or Default of any of its obligations under this Agreement; provided, that if such Breach or Default is a non-monetary Breach or Default for which the cure has commenced and which will be cured on or prior to the effectiveness of such proposed Transfer, City

may, rather than withholding consent to the proposed Transfer solely because of such Breach or Default, condition such consent upon the complete cure of such Breach or Default on or prior to the effectiveness of the Transfer; and, provided further, that City's waiver of this restriction on Transfer shall not be construed as a waiver of any Breach or Default or of City's remedies arising therefrom, nor shall any Transfer in any way restrict or limit City's rights and remedies arising from any Breach or Default hereunder, whether such Breach or Default occurred prior to or after such Transfer.

(c) The provisions of this Section 103 shall apply to each successive Transfer and Transferee in the same manner as initially applicable to Developer under the terms set forth herein.

200. DISPOSITION OF THE SITE

201. Conveyance of the Site to Developer. Subject to the satisfaction of the Conditions Precedent set forth hereinbelow, on or before the date set forth in the Schedule of Performance, the City shall cause the Conveyance of the Site to Developer in the condition described in Sections 201.2, 204.2 and 301.2 and the Scope of Development in consideration for compliance with the terms and conditions of this Agreement, and Developer shall accept Conveyance in accordance with the terms hereof. Developer expressly acknowledges and agrees that City has no duty or obligation to acquire and/or convey the Third Party Property to Developer, and that, if Developer desires to add the Third Party Property to the Site for purposes of constructing a portion of the Project thereon, then Developer, and not City, shall be responsible for any and all costs of acquiring the necessary rights and interests in the Third Party Property.

201.1 Consideration for Site. The consideration for the Conveyance will be the Developer's construction and operation of the Project in accordance with this Agreement, and its promise to otherwise be bound by the Covenants set forth herein.

201.2 Condition of Site. EXCEPT AS SET FORTH IN SECTIONS 204 AND 301.2, DEVELOPER HAS AGREED TO ACCEPT POSSESSION OF THE SITE ON THE CLOSING DATE ON AN "AS IS" BASIS. CITY AND DEVELOPER AGREE THAT, SUBJECT TO SECTIONS 204 AND 301.2 HEREOF, THE PROPERTY SHALL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET OFF OR REDUCTION IN CONSIDERATION, AND, EXCEPT AS SET FORTH IN SECTIONS 204 AND 301.2 HEREOF, SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.

201.3 Opening and Close of Escrow. The Conveyance of the Site shall be consummated on the date ("Closing Date") set forth in the Schedule of Performance but in no event later than September 1, 2015 ("Closing" or "Close of Escrow"), through an escrow (the "Escrow") established at First American Title (Jim Sardo) or another escrow company mutually agreeable to the parties (the "Escrow Agent") which Escrow shall be opened within thirty (30) days following the Date of this Agreement. The scheduled Closing of September 1, 2015, is an outside date, Section 602 notwithstanding, but is subject to extension as provided in the Schedule of Performance. Escrow Agent is hereby authorized to effect the Closing upon satisfaction of the Conditions to Closing set forth in Section 205 by taking the following actions:

(a) Current real property taxes, personal property taxes, and installments of assessments and all items of income (if any) and expense regarding the Site shall be prorated as of the Closing.

(b) Concurrently with the Closing of Escrow, Escrow Agent shall cause the Title Company to issue the Title Policy, as described in Section 203.

(c) Escrow Agent shall pay and charge: (i) Developer for the following: (aa) the recording cost of the Grant Deeds and other closing documents, (bb) the premium for the CLTA Policy, (cc) the additional premium for the ALTA Policies and Endorsements (as hereinafter defined), if any, (dd) half of the escrow fees charged by the Escrow Agent, (ee) Developer's share of proration; and (ii) City for the following: (ff) City's share of prorations and (gg) any transfer taxes or fees.

(d) Escrow Agent shall record, in the following order, the following documents:

- (i) The Declaration;
- (ii) The Grant Deeds; and
- (iii) The Memorandum of Agreement.

all duly executed and acknowledged by the appropriate party.

201.4 Submittal of Documents.

(a) At least two (2) days prior to the Close of Escrow, Developer shall execute and submit to Escrow Agent the following:

(i) Two (2) originals, duly executed by Developer and acknowledged, of the Grant Deeds accepting title subject to the covenants set forth therein.

(ii) Two (2) originals of the Declaration and Memorandum of Agreement duly executed by Developer and acknowledged.

(iii) Any documents to be recorded as part of Developer's financing of the Project which City has approved in writing pursuant to Section 311, along with a request for notice of default executed by the City.

(b) At least two (2) days prior to the Close of Escrow, City shall execute and deliver to Escrow the following:

(i) Two (2) originals of the Grant Deeds duly executed by City and acknowledged; and

(ii) Two (2) originals of the Declaration and Memorandum of Agreement duly executed by City and acknowledged.

201.5 Post-Closing Deliveries by Escrow.

(a) After the Close of Escrow, the Developer shall be delivered the following documents:

(i) The Grant Deeds duly executed by the appropriate party or parties and recorded in the Official Records of Orange County.

(ii) A non-foreign affidavit in a form reasonably acceptable to Developer.

(iii) A conformed copy of the Declaration.

(iv) A conformed copy of the Memorandum of Agreement.

(b) After the Close of Escrow, City shall be delivered the following documents:

(i) A conformed copy of the recorded Grant Deeds and this Agreement.

(ii) The recorded original of the Declaration.

(iii) The recorded original of the Memorandum of Agreement.

(iv) The recorded original of the request for notice of default.

(c) At Close of Escrow, the City and Developer shall each execute counterpart closing statements in customary form together with such other documents as are reasonably necessary to consummate the Closing.

201.6 Payment of Escrow Costs. At Close of Escrow, both parties shall pay their respective costs by wire transfer, or by cashier's check drawn on a bank reasonably acceptable to the Escrow Agent. In the event of termination of this Agreement prior to the Close of Escrow due to failure of a condition set forth in Section 205, the parties shall each be responsible for one-half of any Escrow cancellation costs. In the case of termination prior to the Close of Escrow due to a default by one of the parties hereto, such defaulting party shall pay one hundred percent (100%) of all Escrow Cancellation Costs.

202. Review of Title. Within ten (10) days after the opening of Escrow, City shall cause First American Title Insurance Company, or another title company mutually agreeable to both parties (the "Title Company"), to deliver to Developer a preliminary title report (the "Title Report") with respect to the Site, together with legible copies of all documents underlying the exceptions ("Exceptions") set forth in the Title Report. Developer shall cause the preparation, at its cost and expense, of a ALTA Survey prepared by a California licensed surveyor (the "ALTA Survey"). Developer shall have thirty (30) days from its receipt of the Title Report and ALTA Survey within which to give written notice to City of Developer's approval or disapproval of any of such Exceptions. No deeds of trust, mortgages or other liens (all of which shall be removed by City prior to Closing), except for the lien of property taxes and assessments not yet due, shall be approved Exceptions. If Developer notifies City of its disapproval of any Exceptions in the Title Report or

ALTA Survey, City shall have thirty (30) days from City's receipt of such notification to advise Developer that it will use commercially reasonable efforts or provide assurances satisfactory to Developer that such Exception(s) will be removed on or before the Closing. If City does not provide assurances satisfactory to the Developer that such Exception(s) will be removed on or before the Closing, Developer shall have thirty (30) days after the expiration of such thirty (30) day period to either give the City written notice that Developer elects to proceed with the purchase of the Site subject to the disapproved Exceptions and conditions set forth in the ALTA Survey (and conditioned upon the issuance of any endorsements necessary to render title acceptable to Developer), or to give the City written notice that the Developer elects to terminate this Agreement in which event, the City and Developer shall each be responsible for one-half of any Escrow cancellation charges and neither Developer nor City shall have any further rights or obligations hereunder except as set forth in Section 307. The Developer shall have the right to approve or disapprove any Exceptions reported by the Title Company or conditions set forth on the ALTA Survey after Developer has approved the condition of title for the Property hereunder. The foregoing periods of time shall be reasonably extended if any updates in the Title Report are provided to Developer after Developer approval of the Exceptions. City shall not voluntarily create any new exceptions to title following the Date of this Agreement, except for the recordation of documents in connection with the Closing as required herein. The Developer shall assume all non-delinquent assessments and taxes not specifically disapproved as provided herein.

203. Title Policy. At the Closing, the Title Company, as insurer, shall issue in favor of Developer, as insured, a CLTA owner's standard coverage policy or policies of title insurance with endorsements, if any, as may be required in Section 202 hereof with liability in an amount equal to the value of the Site as determined by the parties prior to Closing but not to exceed Ten Million Dollars (\$10,000,000) ("CLTA Policy"), or, at Developer's option and expense, an ALTA extended policy of title insurance and/or lender's policy of title insurance with any endorsements and/or increased coverage amounts requested by Developer or its lender ("ALTA Policies and Endorsements") (collectively, the "Title Policies"), subject to the following:

- (a) All nondelinquent general and special real property taxes and assessments for the current fiscal year; and
- (b) If a CLTA policy is issued, the standard printed conditions and exceptions contained in the CLTA standard owner's policy of title insurance regularly issued by the Title Company.
- (c) The provisions of this Agreement, the Grant Deeds and the Declaration.
- (d) Any Exceptions to title approved by Developer pursuant to Section 202.

The Title Policies shall be combined with a policy insuring the personal property (Eagle 9 policy from the Title Company) with tie-in endorsements to cover the full insurable cost of the Project paid for by Developer.

204. Studies, Reports.

204.1 Site Investigation. Representatives of the Developer and any prospective users, following execution of the Right of Entry Agreement, shall have the right of access to the City Property, and to the Agency Property at such time, if ever, as City has the right of access to the

Agency Property, for the purpose of making necessary or appropriate inspections, including geological, soils and/or additional environmental assessments. If Developer determines that there are Hazardous Materials in, on, under or about the Site, including the groundwater, or that the Site is or may be in violation of any Environmental Law, or that the condition of the Site is otherwise unacceptable to Developer, then the Developer shall notify the City and Escrow Holder prior to the Due Diligence Date. City and Developer shall thereafter have thirty (30) days to negotiate an agreement with respect to remediation of the Site, pursuant to which City shall commit to expend up to Two Hundred Fifty Thousand Dollars (\$250,000) for Site remediation. If, at the end of such thirty (30) day period, Developer and City have not come to an agreement with respect to remediation of the Site, Developer shall, within three (3) days thereafter, notify City whether it elects to go forward with the acquisition of the Site and pay all remediation costs in excess of Two Hundred Fifty Thousand Dollars (\$250,000), or whether it elects to terminate this Agreement, in which event the Developer and City shall each be responsible for one-half of any Escrow cancellation charges and neither Developer nor City shall have any further rights or obligations hereunder except as set forth in Section 307.

204.2 As-Is Environmental Condition. Subject to the terms of this Agreement, if the Developer elects to proceed with Close of Escrow, the Site shall be conveyed to the Developer in an "as is" environmental condition, with no warranty, express or implied by the City, as to the condition of the Site, the soil, its geology, the Presence of known or unknown faults, the suitability of soils for the intended purposes or the presence of known or unknown Hazardous Materials or toxic substances.

204.3 Indemnities and Release Re Hazardous Material.

(a) **Developer Indemnity.** As of the Closing, Developer, on behalf of itself and its successors in interest, hereby agrees and hereby shall Indemnify the Indemnitees from and against all Liabilities arising from, related in any respect to, or as a result of (i) the Presence of Hazardous Materials on the Site (excluding Public Streets) which Presence first occurred either before or after Close of Escrow, and (ii) the Presence of Hazardous Materials on the Site, which Hazardous Materials were not Hazardous Materials at the time of the Close of Escrow, but became Hazardous Materials after Close of Escrow as a result of an amendment to, or interpretation of, the Environmental Law; provided, that none of the same were directly and proximately caused by City or any of its agents, employees or contractors. City shall cooperate with Developer to ensure that City has assigned to Developer any and all rights that City acquired in its acquisition of the Site or any portion thereof to permit Developer's prosecution of claims against any third parties who are potentially responsible for such Hazardous Materials.

(b) **Developer Release.** As of the Closing, Developer, on behalf of itself and its successors in interest, agrees to and hereby shall release the Indemnitees from and against all Liabilities arising from, related in any respect to, or as a result of (i) the Presence of Hazardous Materials on the Site that first existed on the Site as of the Close of Escrow, but were discovered after Close of Escrow, and (ii) the Presence of Hazardous Materials on the Site, which Hazardous Materials were not identified and/or defined as such under the Environmental Laws at the time of Close of Escrow, but became Hazardous Materials after Close of Escrow as a result an amendment to, or interpretation of, the Environmental Law. Notwithstanding the foregoing, Developer is not releasing any person or entity other than the Indemnitees.

205. Conditions to Closing. The Closing is conditioned upon the satisfaction of the following terms and conditions, which the parties shall exercise their best efforts to satisfy, within the times designated below:

205.1 City's Conditions Precedent. City's obligation to proceed with the Closing is subject to the fulfillment or waiver in writing by City of each and all of the conditions precedent described below ("City's Conditions Precedent"), which are solely for the benefit of City, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Default. Prior to the Close of Escrow, Developer shall not be in Default in any of its obligations under the terms of this Agreement.

(b) Execution of Documents. The Developer shall have executed any documents required hereunder and delivered such documents into Escrow.

(c) Payment of Funds. Prior to the Close of Escrow, Developer shall have paid all required costs of Closing into Escrow in accordance with Section 201.3 hereof.

(d) Land Use Approvals. The Developer shall have received approval for all Additional Land Use Approvals.

(e) Insurance. The Developer shall have provided proof of insurance as required by Section 306 hereof.

(f) Financing. The City shall have approved the Construction Financing as defined in Section 311.1 hereof, for construction of the Developer Improvements as provided in Section 311.1 hereof, and such Construction Financing shall have closed and funded or be ready to close and fund upon the Closing in substantial accordance with the commitment for Construction Financing.

(g) Declaration. The parties shall have mutually agreed upon the terms of the Declaration and the same shall be ready for recordation concurrently with the Close of Escrow.

(h) Agency's Conveyance of the Agency Property to City. Agency shall have transferred and conveyed fee simple interest in all of the Agency Property to City at no cost and/or upon terms acceptable to City, in its sole and absolute discretion. In this regard, Developer acknowledges that Agency's ability to transfer the Agency Property to City is subject to, and contingent upon, (i) Agency's receipt of a Finding of Completion; (ii) Approval by the Agency, Oversight Board, and Department of Finance of a Long-Range Property Management Plan providing for disposition of the Agency Property to the City for the Project; and (iii) approval of such disposition by the Agency, the Oversight Board, and/or the Department of Finance.

(i) Approval of Hotel Operators, Franchisors and Franchise Agreements. To the extent required by this Agreement, including, but not limited to, Section 103.6 hereof, the City shall have approved the initial Hotel Operators, Franchisors, and Franchise Agreements.

(j) Pre-leasing and Approval of Tenant. The City shall have approved the initial Tenant(s), unless included in the list of Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s).

205.2 Developer's Conditions Precedent. Developer's obligation to proceed with the Closing is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent described below ("Developer's Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Default. Prior to the Close of Escrow, City shall not be in default in any of its obligations under the terms of this Agreement.

(b) Execution of Documents. The City shall have executed the Grant Deeds and any other documents required hereunder and delivered such documents into Escrow.

(c) Review and Approval of Title. Developer shall have reviewed and approved the condition of title of the Site, as provided in Section 202 hereof.

(d) Site Condition. Developer shall have determined, in its sole and absolute discretion, and advised City in writing that, to Developer's knowledge, the Site Condition is satisfactory in accordance with Sections 201.2, 204 and 301.2 hereof.

(e) Relocation, Demolition and Clearance of the Site. The City shall have relocated occupants and demolished and cleared the Site and removed all above ground structures located thereon and all substructures under existing buildings as required by Section 301.2. Notwithstanding anything to the contrary contained herein, this Condition Precedent shall not be deemed satisfied until such time as (i) any such relocation has been approved officially by the appropriate governmental authorities through duly authorized and appropriate action and all administrative appeals periods related thereto shall have expired, and (ii) if any litigation or administrative challenge of such relocation shall have been filed relating thereto, there has been a final non-appealable resolution of any such litigation or challenge affirming the validity of such action by the City.

(f) Title Policy. The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to provide to the Developer the Title Policy for the Site upon the Close of Escrow, in accordance with Section 203 hereof.

(g) Land Use Approvals. The Developer shall have received approval for all Additional Land Use Approvals.

(h) Financing. The Developer shall have obtained the Construction Financing as provided in Section 311.1 hereof, and such Construction Financing shall have closed and funded or be ready to close and fund upon the Closing in substantial accordance with the commitment for Construction Financing.

(i) Adverse Conditions. No lawsuit (including by private parties), moratoria, or similar judicial or administrative proceeding or government action shall exist which would materially delay or significantly increase the cost of constructing the City Improvements.

(j) Approval of Hotel Operators, Franchisors, and Franchise Agreements. To the extent required by this Agreement, including, but not limited to, Section 103.6 hereof, the City shall have approved the initial Hotel Operators, Franchisors, and Franchise Agreements.

(k) Pre-leasing and Approval of Tenant(s). The City shall have approved the initial Tenant(s), unless included in the list of Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s).

(l) Declaration. The parties shall have mutually agreed upon the terms of the Declaration and the same shall be ready for recordation concurrently with the Close of Escrow.

(m) Development Agreement. Developer and City have executed a Development Agreement. Developer acknowledges that this Agreement does not obligate City to approve or enter into a Development Agreement.

205.3 Termination of Agreement Due to Failure of Conditions Precedent. In the event Escrow does not Close due to a failure of any of the conditions precedent set forth in this Section 205, either party may terminate this Agreement by written notice to the other party, and, upon such termination, except with respect to the payment of Escrow cancellation costs pursuant to Section 201.6 hereof, the parties' respective indemnity obligations hereunder, and/or any other provisions of this Agreement that expressly survive termination, neither party shall have any further rights or obligations under this Agreement.

300. DEVELOPMENT OF THE SITE

301. Scope of Development.

301.1 Improvements. Developer shall develop the Site in conformance with the Land Use Approvals, the Scope of Development, the Governmental Requirements, and the terms and provisions of this Agreement within the time periods set forth in the Schedule of Performance. Developer shall improve the Site with the Developer Improvements. The physical quality of the Developer Improvements, including, without limitation, construction quality, finish material, lighting, landscaping and site amenities shall be (a) comparable, at a minimum, to each of the chosen Hotels and/or retail/restaurant/entertainment establishment's respective brand standards; (b) as set forth in the Scope of Development; and (c) consistent with the Land Use Approvals and the Governmental Requirements. Following the issuance of the Release of Construction Covenants for the Developer Improvements and thereafter until the expiration or termination of the Applicable Covenants Consideration Period, each Separate Component of the Developer Improvements and repair and maintenance thereof shall remain comparable in terms of quality and level of amenities to such Separate Component as of the date of issuance of the Release of Construction Covenants; provided the foregoing is not intended to require Developer to take any action that might cause a violation of any Governmental Requirement, including without limitation, any regulations or building codes or, as a result of changes in laws, regulations or codes or other changed circumstances, require Developer to take any action to comply with the same that would make performance of the foregoing obligations commercially infeasible.

Notwithstanding anything to the contrary contained herein, in lieu of a combination of one Upper Upscale Hotel and up to two Additional Hotels, Developer may, in the alternative, elect to develop, in a manner consistent with the Land Use Approvals, (a) either, a single, larger, Upper Upscale Hotel, or a combination of multiple Upper Upscale Hotels, which, in the aggregate, contain no less than four hundred fifty (450) rooms, not less than fifteen thousand (15,000) square feet of meeting space, and at least two full-service restaurants, and which otherwise satisfy the hotel furniture, fixture and equipment standards for an Upper Upscale Hotel set forth in Section I(B) of

Exhibit C attached hereto, in which event the provisions of Section 408.1 hereof shall apply to each such Upper Upscale Hotel; and (b) at the Developer's option, one (1) or more Additional Hotels, which otherwise satisfy the hotel furniture, fixture and equipment and amenity standards for an Additional Hotel set forth in Section I(B) of Exhibit C, attached hereto, in which event the provisions of Section 408.2 hereof shall apply to each such Additional Hotel. The Developer expressly acknowledges and agrees that any and all Additional Land Use Approvals necessary for the development of the Hotels described in the foregoing alternative, including, without limitation, all additional environmental review, if any, determined by City to be required pursuant to the California Environmental Quality Act ("CEQA"), shall be secured at the Developer's sole cost and expense within the time periods set forth in the Schedule of Performance, and shall be subject to the discretionary approval of the City, acting in its municipal capacity and exercising its police powers.

301.2 City Improvements. City shall cause, at its cost and expense, the following within the time set forth in the Schedule of Performance:

(a) Relocation of all occupants of the City Property and/or Agency Property in compliance with all applicable federal, state and local laws and regulations concerning displacement and relocation, as applicable;

(b) The demolition and removal of all existing structures and improvements including foundations, and, subject to and as provided in Section 204, remediation of any Hazardous Materials on the City Property and/or Agency Property, the proper disposal and mitigation of lead-based paint, asbestos and other environmental hazards pursuant to the requirements of the Department of Health Services in compliance with all applicable federal, state and local laws and regulations with respect to demolition and/or disposal and mitigation as described above; and

(c) Installation and completion of all Offsite Infrastructure; provided, however, that the City, acting in its sole and absolute discretion, has approved the expenditure of funds for the infrastructure required by this subsection (c) of Section 301.2.

301.3 Parking Structures. The Developer Improvements will include one or more Parking Structures, as described more fully in the Scope of Development and generally shown on the Conceptual Site Plan ("Parking Structures"), which will serve the Project.

The financing for the Parking Structures may be (i) part of the Construction Financing or (ii) financed through CFD Bonds ("CFD Financing"). In the case of CFD Financing, if so requested by Developer, and if economically and legally feasible, the City will undertake the requisite actions to cause CFD Bonds to be issued with respect to the financing of the Parking Structures, provided that (i) the City's City Council, acting in its sole discretion in accordance with its legislative authority, has approved the formation of a CFD and the issuance of the CFD Bonds; (ii) the Developer (or an agent engaged by Developer and reasonably approved by the City) provides completion guarantees and/or credit enhancements (conditioned upon receipt of the CFD Financing funds) in a form, amount, and quality reasonably acceptable to City; (iii) the CFD Bonds will be rated not less than BBB or its equivalent; and (iv) issuance of the CFD Bonds will be at no cost to the City. In the event of CFD Financing, the parties will mutually determine the manner in which the Parking Structures will be constructed, operated and maintained as public parking structures.

301.4 Third Party Property. Developer may, at Developer's sole cost and expense, elect to purchase, lease, or otherwise acquire sufficient right and interest in the Third Party Property and add the Third Party Property to the Site for purposes of development and operation of a portion of the Project until expiration of the Applicable Covenant Consideration Period. Within the time periods set forth in the Schedule of Performance, Developer shall notify City of its election of whether to add the Third Party Property to the Site and, if applicable, provide City with all documentation and/or information reasonably requested by City to verify Developer's rights and interests in the Third Party Property. If Developer acquires sufficient rights and interests in the Third Party Property and elects to add the Third Party Property to the Site for purposes of development and operation of a portion of the Project, then the Third Party Property shall thereafter be deemed to be a portion of the "Site" for purposes of Developer's obligations under this Agreement and shall be subject to the Covenants, and Section 408 shall apply to those Separate Components constructed and operated on the Third Party Property.

302. Construction Drawings and Related Documents. The Developer shall submit, within the time frames set forth in the Schedule of Performance, and the City Manager or his designee shall approve, within the time periods set forth in the Schedule of Performance, preliminary building elevations, final building elevations, construction drawings, landscape plans, and related documents required for the development of the respective portions of the Site (individually and collectively, the "Construction Drawings"). The City shall have the right to review and approve all Construction Drawings as to their compliance with the description of the applicable Developer Improvements as set forth herein, and their consistency with the Governmental Requirements and the Land Use Approvals.

303. Land Use Approvals. Except as otherwise expressly set forth herein, prior to Commencement of Construction and/or operation of the Separate Components, as applicable, Developer shall, at its sole cost and expense, separately apply for and obtain any and all Additional Land Use Approvals required in connection with the construction and operation of the Developer Improvements. The Developer specifically acknowledges that, notwithstanding anything in this Agreement which is or appears to be to the contrary, any City approval under this Agreement shall not waive or eliminate the requirement for review and approval of such Additional Land Use Approvals by the City in accordance with those Governmental Requirements, acting in City's municipal capacity and exercising its police powers. City agrees to cooperate with Developer to coordinate the Additional Land Use Approvals; provided that the City shall not incur any expenses or costs in connection therewith. The Developer shall, without limitation, pay all costs, charges and fees associated therewith, including, without limitation, City's customary development fees. Notwithstanding the foregoing, provided the final proposed Project is substantially consistent with the Conceptual Site Plan, City shall pay for all costs associated with preparation of the Subdivision Map. Except as to the City Improvements, costs of any Project related on-site (as described in Paragraph I.E. of the Scope of Development) California Environmental Quality Act ("CEQA") mitigation required by the Land Use Approvals shall be borne by Developer. Developer acknowledges that compliance with any such CEQA mitigation shall be a condition under applicable law for proceeding with the Project. Notwithstanding anything to the contrary contained herein, the Additional Land Use Approvals shall not be deemed obtained or secured until such time as (i) Developer has agreed to comply with all conditions, exactions and impositions related thereto, in Developer's sole discretion, and (ii) the Additional Land Use Approvals: (a) have been approved officially by the appropriate governmental authorities through duly authorized and appropriate action and all administrative appeals periods related thereto shall have expired, (b) are not subject to any further discretionary approvals of any kind, and (c) if any litigation or administrative challenge shall

have been filed relating thereto, there has been a final non-appealable resolution of any such litigation or challenge affirming the validity of the Land Use Approvals.

304. Schedule of Performance. Provided that the City has timely met its respective obligations under the Schedule of Performance and subject to the application of Section 602 hereof, Developer shall submit the Construction Drawings, Commence Construction and Complete Construction of the Developer Improvements, and satisfy all other obligations and conditions of this Agreement which are the obligation of Developer within the times established therefor in the Schedule of Performance. The Schedule of Performance is subject to revision from time-to-time as provided therein and as otherwise mutually agreed upon in writing by Developer and the City Manager.

305. Cost of Construction. Except as otherwise expressly set forth herein, including Sections 201, 204, 301 and 303 and costs relating to City Improvements, all of the cost of planning, designing, developing and constructing all of the Developer Improvements, including but not limited to payment or other satisfaction of development impact and processing fees payable in connection with the Developer Improvements, shall be borne solely by Developer. Notwithstanding the foregoing, to the extent the City designs and/or constructs any site improvements defined herein as Developer Improvements, for which City receives partial reimbursement from local, state, and/or federal grant funds, the Developer shall be responsible only for that unreimbursed portion of the costs incurred by the City in the design and/or construction of such improvements.

306. Insurance Requirements. Developer shall obtain and maintain at its sole cost and expense, or shall cause its contractor or contractors to obtain and maintain at their sole cost and expense, until City's issuance of the final Release of Construction Covenants pursuant to Section 310 of this Agreement, the insurance coverages described in this Section 306, with the coverage limits, conditions, and endorsements defined herein.

306.1 Insurance Coverage. Prior to the earlier to occur of the (i) Developer's exercise of a right of entry under the Right of Entry Agreement or (ii) the approval of building permits, the following policies, in a form reasonably acceptable to the City, shall be obtained and maintained by Developer and/or its contractor or contractors, as applicable, covering all activities relating to construction of Developer Improvements at the Site:

(a) Comprehensive general liability insurance, not excluding XCU, in the amount no less than Five Million Dollars (\$5,000,000) per occurrence for claims arising out of bodily injury, personal injury and property damage. Coverage will include contractual, owners, contractors' protective policy and products and completed operations. (Claims made and modified occurrence policies are not acceptable.)

(b) Comprehensive automobile liability insurance, including mobile equipment, in the amount of no less than One Million Dollars (\$1,000,000), combined single limit (bodily injury and property damage liability), including coverage for liability arising out of the use of owned, non-owned, leased, or hired automobiles for performance of the work. As used herein the term "automobile" means any vehicle licensed or required to be licensed under the California or any other applicable state vehicle code. Such insurance shall apply to all operations of Developer or its contractors and subcontractors both on and away from the Site. In the event that any drivers are excluded from coverage, such drivers will not be permitted to drive in connection with construction of the Developer Improvements. (Claims made and modified occurrence polices are not acceptable.)

(c) Workers' compensation insurance in the amount and type required by California law, if applicable. The insurer(s) shall waive its rights of subrogation against the Indemnitees.

(d) Builder's All-Risk property insurance in an amount of not less than one hundred percent (100%) of the full replacement value of the Developer Improvements. (Claims made and modified occurrence policies are not acceptable.)

(e) Follows Form Excess liability coverage shall be provided for any underlying policy that does not meet the insurance requirements set forth herein. (Claims made and modified occurrence policies are not acceptable.)

All insurance coverage shall be placed with carriers admitted to write insurance in California, and with an A.M. Best's Guide Rating of A- class VII or better. Any deviation from this rule shall require specific approval in writing from the City's Finance Director. Any deductibles or self-insured retentions in excess of \$250,000 must be declared to and approved the City.

306.2 Policy Provisions. A certificate or certificates evidencing coverage described in subsections (a) through (e) above (the "Insurance") shall be submitted to the City prior to execution of a Right of Entry Agreement or issuance of building permits for and Commencement of Construction of the Developer Improvements, which certificates shall be accompanied by appropriate policy endorsements satisfying the following requirements:

(a) The Insurance shall be primary insurance for claims arising from or related to the Project, and will be noncontributing with respect to any other insurance maintained by Developer or its contractor(s) with respect to any losses which do not arise out of the construction of Developer Improvements, and any other insurance or self-insurance maintained by the Indemnitees which may be applicable shall be deemed to be excess insurance and shall not contribute, and the Insurance shall be primary for all purposes as respects the Indemnitees despite any conflicting provision in the Insurance to the contrary;

(b) Not less than thirty (30) days advance notice shall be given in writing to the City and the Agency prior to any cancellation or termination of the Insurance;

(c) With the exception of the Worker's Compensation policy(ies), the Indemnitees shall be named as additional insureds on all policies, including the excess liability policy(ies), in accordance with the following requirements:

(i) An Additional Insured Endorsement, ongoing and completed operations, for the policy(ies) required pursuant to Section 306.1(a), Comprehensive General Liability, shall designate the Indemnitees as additional insureds for liability arising out of work or operations performed by or on behalf of the Developer

(ii) An Additional Insured Endorsement for the policy(ies) required pursuant to Section 306.1(b), Automobile Liability, including mobile equipment, if applicable, shall designate the Indemnitees as additional insureds for automobiles owned, leased, hired, or borrowed by the Developer and/or its contractor(s).

(iii) An Additional Insured Endorsement for the policy(ies) required pursuant to Section 306.1(d), Builder's All Risk, shall designate the Indemnitees as additional insureds.

(iv) If any of the underlying policies do not meet policy limits required, and Additional Insured Endorsement for the policy(ies) required pursuant to Section 306.1(e), Excess Liability, shall designate the Indemnitees as additional insureds, and the Developer and/or its contractor(s) shall provide to the City a certificate of insurance stating the excess liability policy follows form and the schedule of the underlying policies for the excess liability policy, with policy numbers.

(d) All certificates and endorsement forms provided shall conform to the City's requirements and are subject to approval by the City.

(e) Coverage provided hereunder by Developer and/or its contractors shall be primary insurance and not be contributing with any insurance maintained by the City or the Agency.

(f) The policies shall include a waiver of subrogation against the Indemnitees.

Upon request by City, Developer shall provide City with copies of complete insurance policies and endorsements evidencing coverage as required herein. Certificates and endorsements for each insurance policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. If required by City, Developer and/or its contractor(s) shall, from time to time, increase the limits of its general and automobile liability insurance to reasonable amounts customary for owners of improvements similar to those on the Site.

Notwithstanding anything to the contrary set forth in this Section, Developer's obligations to maintain the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Developer or its affiliate; provided, however, (i) that the Indemnitees shall be named as additional insureds as their interests may appear and (ii) that the coverage afforded City, Agency, and Indemnitees, will not be reduced or diminished by reason of the use of such blanket policy of insurance, and (iii) that the requirements set forth herein are otherwise satisfied.

307. Developer's Indemnity; City Indemnity. Except as set forth in Section 204 and except to the extent caused by a failure of City's warranties or representations herein or Default by City hereunder, Developer shall Indemnify (with one (1) counsel reasonably acceptable to the City, unless there is a conflict of interest by, among or between any of the Indemnitees, whether individuals or entities in which case separate counsel shall be provided by Developer for each such Indemnitee) the Indemnitees from and against any and all Liabilities which result from the performance of this Agreement by Developer or Developer's ownership, development, use, or operation of the Site or any portion thereof excepting those Liabilities which are caused by the Indemnitees' (or any of them) gross negligence or willful misconduct. The City and Developer agree to fully cooperate with one another in any case where no conflict of interest between the parties is apparent. Without limiting the generality of the foregoing, Developer specifically agrees to indemnify, defend and hold harmless Agency and City from any Liabilities resulting from Developer's failure to comply with all applicable laws in accordance with Section 309 hereof. City

shall Indemnify (with one (1) counsel reasonably acceptable to Developer) the Developer Parties from and against any and all Liabilities which result from the City's relocation of the occupants as required by this Agreement. The parties' respective indemnity obligations hereunder shall survive termination of this Agreement.

308. Rights of Access. Representatives of the City shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Developer Improvements and so long as City representatives comply with all safety rules and do not unreasonably interfere with the work of Developer. City shall defend, indemnify, assume all responsibility for and hold the Developer Parties harmless from and against any and all third party liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, and reasonable attorneys' fees of any kind or nature and for any damages, including damages to property or injuries to persons, including accidental death (including reasonable attorneys' fees and costs), which result from the exercise of such entry. Representatives of the Developer shall have the right of access to those portions of the Site owned by City without charges or fees during normal construction hours for the purpose of Investigation and Grading (as those terms are defined in the Right of Entry Agreement).

309. Compliance with Governmental Requirements. Developer shall carry out the design, construction and operation of the Project in conformity with all Governmental Requirements.

309.1 Nondiscrimination in Employment. Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, with respect to the construction and operation of the Project, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sections 2000, *et seq.*, the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Sections 621, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. Sections 1324b, *et seq.*, 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, California Government Code Sections 12900, *et seq.*, the California Equal Pay Law, California Labor Code Sections 1197.5, California Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Sections 12101, *et seq.*, and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended. Developer shall allow representatives of the City access to its employment records related to this Agreement during regular business hours at Developer's principal office in Garden Grove, California to verify compliance with these provisions when so requested by the City.

310. Release of Construction Covenants. Following Completion of Construction of the Developer Improvements in conformity with this Agreement and within thirty (30) calendar days following receipt of a written request from Developer, the City shall furnish Developer with a Release of Construction Covenants for the completed Developer Improvements or portion thereof. The City shall not unreasonably withhold or delay such Release of Construction Covenants. The Release of Construction Covenants shall be conclusive determination of satisfactory Completion of Construction of the Developer Improvements (or the part thereof identified in the Release of Construction Covenants) and the Release of Construction Covenants shall so state. If the City

refuses or fails to furnish the Release of Construction Covenants for the Site (or part thereof) after written request from Developer, the City shall, within thirty (30) working days of receiving such written request, provide Developer with a written statement setting forth the reasons the City has refused or failed to furnish the Release of Construction Covenants for the Site (or part thereof). The statement shall also contain a list of the actions Developer must take to obtain a Release of Construction Covenants, which list shall be based on the applicable requirements set forth in this Agreement and the Construction Drawings, and/or of the Land Use Approvals and Governmental Requirements. If the reason for the City's refusal to issue the Release of Construction Covenants is due to lack of availability of specific landscape and/or finish materials, the Developer may provide a completion bond reasonably acceptable to the City, in which case the Developer shall thereby become entitled to the Release of Construction Covenants.

Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the Developer Improvements, or any part thereof. Such Release of Construction Covenants is not a notice of completion as referred to in the California Civil Code, Section 3093.

311. Financing of the Developer Improvements.

311.1 Approval of Financing. Prior to the Close of Escrow and in accordance with the Schedule of Performance, Developer shall have submitted evidence to the City that Developer has equity capital and/or a written lender commitment(s) from one (1) or more institutional lender(s) (individually and collectively, the "Construction Lender") for the construction of the Developer Improvements in accordance with this Agreement ("Construction Financing"). In addition, such Construction Financing shall be funded or to fund at the Closing in accordance with the Schedule of Performance as provided in accordance with Sections 205.1(f) and 205.2(h) hereof. City shall have the right to review and approve any such Construction Lender and the Construction Financing in its reasonable discretion, which approval shall not be unreasonably withheld. The City shall approve Construction Financing if the debt portion, if any, is issued by an institutional lender, together with Developer's equity (and, if applicable, the commitment of a Tenant to reimburse the Developer for all or any portion of the costs of the Developer Improvements), is in an amount not less than the cost of the Developer Improvements and conditioned only upon Closing and other customary construction loan closing and funding requirements. Developer and City agree that Developer shall be solely responsible for all financial obligations under such financing. Except with respect to Permitted Transfer pursuant to Section 103.2, prior to issuance of the final Release of Construction Covenants with respect to the Site, or applicable portion thereof, the Developer shall not place or suffer to be placed any lien or encumbrance on the Site, or any portion thereof, unless approved in writing by the City, in its sole and absolute discretion.

311.2 Holder Not Obligated to Construct Developer Improvements. The holder of any mortgage or deed of trust authorized by this Agreement (a "Holder") shall not be obligated by the provisions of this Agreement to construct or Complete the Construction of the Developer Improvements or any portion thereof, or to guarantee such construction or Completion of Construction; nor shall any covenant or any other provision in this Agreement be construed so to obligate such Holder. Nothing in this Agreement shall be construed or deemed to permit or authorize any such Holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or Developer Improvements provided for or authorized by this Agreement.

311.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.

With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever the City delivers any notice of default ("Notice of Default") or demand to Developer with respect to any Breach or Default by Developer in the construction of the Developer Improvements, and if Developer fails to cure the Default within the time set forth in Section 501, the City shall deliver to each Holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand. Each such Holder shall (insofar as the rights granted by the City are concerned) have the right, at its option, within thirty (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such Default and to add the cost thereof to the mortgage debt and the lien of its mortgage; provided, however if the Holder is legally prevented from curing such default because of a bankruptcy by the Developer or because such cure requires physical possession of the Site then the thirty (30) day period shall be tolled until such bankruptcy is confirmed, rejected or otherwise resolved or the Holder has obtained lawful physical possession of the Site. Nothing contained in this Agreement shall be deemed to permit or authorize such Holder to undertake or continue the construction or Completion of Construction of the Developer Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to the City by written agreement reasonably satisfactory to the City, which election to assume may be made within ninety (90) days following Holder's securing of title to the Property. Such assumption shall not have the effect of causing the Holder to be responsible for any prior damage obligations of Developer to the City. The Holder, in that event, must agree to Complete Construction, in the manner provided in this Agreement, of the Developer Improvements. Any such Holder properly Completing the Construction of the Developer Improvements or portion thereof shall be entitled, upon compliance with the requirements of Section 310 of this Agreement, to a Release of Construction Covenants. It is understood that a Holder shall be deemed to have satisfied the thirty (30) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such Holder has within such thirty (30) day period commenced foreclosure proceedings to obtain title and/or possession and thereafter the Holder diligently pursues such proceedings to completion and cures or remedies the default.

311.4 Failure of Holder to Complete the Construction of the Developer Improvements. In any case where, thirty (30) days after the Holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a Notice of Default by Developer in Completion of Construction of any of the Developer Improvements under this Agreement, and the Holder has not exercised the option to construct as set forth in Section 311.3, or if it has exercised the option but has defaulted thereunder and failed to timely cure such default, the City may, by giving written notice to the Holder, purchase the mortgage or deed of trust by payment to the Holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the Holder, the City, if it so desires, shall be entitled to a conveyance of title to the Site or such portion thereof from the Holder to the City upon payment to the Holder of an amount equal to the sum of the following:

(a) The unpaid mortgage or deed of trust debt at the time title became vested in the Holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

- (b) All expenses with respect to foreclosure including reasonable attorneys' fees;
- (c) The net expense, if any (exclusive of general overhead), incurred by the Holder as a direct result of the subsequent management of the Site or part thereof;
- (d) The costs of any Developer Improvements made by such Holder;
- (e) Any prepayment charges, default interest, and/or late charges imposed pursuant to the loan documents and agreed to by Developer; and
- (f) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the City.

311.5 Right of the City to Cure Mortgage or Deed of Trust Default. In the event Developer receives a notice of default on any mortgage or deed of trust prior to the Completion of Construction of the Developer Improvements and issuance of a total Release of Construction Covenants, Developer shall immediately deliver to the City a copy of such notice of default. If the Holder of any mortgage or deed of trust has not exercised its option to construct, the City shall have the right but not the obligation to cure the default. The City shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by the City in curing such default. The City shall also be entitled to a lien upon the Site to the extent of such costs and disbursements.

400. COVENANTS AND RESTRICTIONS

401. Covenant to Develop, Use and Operate the Site in Accordance with Land Use Approvals and this Agreement. For so long as City is required to provide any Covenants Consideration, Developer covenants and agrees for itself and its successors, assigns, and every successor in interest to the Site, or any part thereof, that Developer and such successors and assignees shall use and operate the Site in accordance with the Land Use Approvals and this Agreement, and except for a Holder who, pursuant to Section 311, has not elected to assume Developer's obligations hereunder to construct, shall construct and Complete Construction of the Developer Improvements in accordance with the Land Use Approvals, Scope of Development, all applicable Governmental Requirements, Section 301.1 hereof, and the Schedule of Performance.

402. Maintenance and Security Covenants. Developer covenants and agrees for itself, its successors and assigns and any successor in interest to the Site or part thereof to maintain, at Developer's sole cost and expense, the Site and all Developer Improvements thereon, in compliance with the terms of the Declaration, the Land Use Approvals and with all applicable Governmental Requirements. The operation, use, security and maintenance of the Site, shall be accomplished in accordance with the Covenants and Declaration (to be approved by the parties prior to Closing) consistent with other first-class hotel/retail/restaurant projects in Orange County, and shall include regular landscape maintenance, graffiti removal, and trash and debris removal.

403. Nondiscrimination. The Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy,

tenure or enjoyment of the Developer Improvements or the Site, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project or the Site. The foregoing covenants shall run with the land.

All deeds, leases or contracts with respect to the Project or the Site shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

b. **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be

construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

c. **In contracts:** "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

404. Prevailing Wages. With respect to the construction of the Developer Improvements on the Site as set forth herein and in the Scope of Development, Developer and its contractors and subcontractors shall pay prevailing wages and employ apprentices in compliance with Labor Code Section 1770, *et seq.*, and shall be responsible for the keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto. Such requirements are set forth in greater detail in Exhibit J attached hereto and incorporated herein by reference. The referenced Labor Code sections and Exhibit J are referred to herein collectively as the "Prevailing Wage Requirements." Upon the periodic request of the City, the Developer shall certify to the City that it is in compliance with the requirements of this Section 405. Notwithstanding anything to the contrary contained in this Agreement, Developer shall not be required to comply with the Prevailing Wage Requirements with respect to any discreet portions of the Developer Improvements if and to the extent the Prevailing Wage Requirements are inapplicable to such discreet portions. Developer shall indemnify, protect, defend and hold harmless the City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Developer Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer with any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Developer Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the

same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section 405, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after Completion of Construction of the Developer Improvements by the Developer.

405. Point of Sale and/or Use. The Developer, for itself and for its general contractor and subcontractor, agrees to obtain a State Board of Equalization sub-permit for the jobsite and allocate all eligible use tax payments to the City and provide the City with either a copy of the sub-permit or a statement that the use tax does not apply to this portion of the job, to insure that the City is the point of sale and/or use under the Bradley Burns Uniform Local Sales and Use Tax Law (commencing with Section 7200 of the Revenue and Taxation Code, as amended from time to time).

406. Effect of Violation of the Terms and Provisions of this Agreement. The City is deemed the beneficiary of the terms and provisions of this Agreement and of the Covenants, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the Covenants have been provided, without regard to whether the City has been, remains or is an owner of any land or interest therein in the Site. The City shall have the right (subject to Section 501 below), upon a Default by Developer of this Agreement, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and Covenants may be entitled. Except as otherwise provided therein, the Covenants contained in Sections 103, 301, 309, and 401, 402, and 405, and the Declaration shall survive Closing and remain in effect for so long as City is required to provide any Covenants Consideration pursuant to this Agreement. The Covenants set forth in Sections 204.2, 204.3, 307, 403, and 603 shall survive Closing and remain in effect in perpetuity. The Covenants described in Sections 303, 304, 305, 306, 308, 404 and 503 shall survive Closing and remain in effect with respect to a portion of the Site until the issuance of a Release of Construction Covenants with respect to such portion of the Site and so long thereafter as shall be necessary to enforce a Default(s) thereunder. The Covenants set forth in Sections 407, 408, and 409 shall survive Closing and remain in effect in accordance with the terms set forth therein.

407. Covenants Consideration (City Assistance). In consideration for the granting of the Covenants by the Developer to the City, City agrees to provide the following economic assistance towards defraying the cost of the Project's development and operation ("Covenants Consideration"):

- (a) Conveyance of the Site to Developer pursuant to Section 200; and
- (b) Payment of the costs of the City Improvements pursuant to Section 301.2; and
- (c) Payment of the costs associated with preparation of the Subdivision Map pursuant to Section 303; and
- (d) Payment to Developer of the Tax Rebate Payments described in Section 408.

408. Tax Rebate Payments. The Covenants Consideration shall include the annual payments described in this Section 408.

408.1 Upper Upscale Hotel Tax Rebate Payments. With respect to each Upper Upscale Hotel, City shall pay to Developer annually, from the date on which Completion of Construction of each Upper Upscale Hotel occurs, and for a period of twenty (20) years thereafter, an amount equal to: (i) sixty percent (60%) of the Transient Occupancy Tax Revenues which have been paid to and received by the City in each calendar year during such period with respect to each Upper Upscale Hotel(s); and (ii) fifty percent (50%) of the Sales Tax Revenues attributable to the operation of each Upper Upscale Hotel.

408.2 Additional Hotel Tax Rebate Payments. With respect to each Additional Hotel, City shall pay to the Developer annually, for the period commencing on the date on which Completion of Construction of the Additional Hotel has occurred and for a period of ten (10) years thereafter, an amount equal to (i) fifty percent (50%) of the Transient Occupancy Tax Revenues which have been paid to and received by the City in each calendar year during such period with respect to each Additional Hotel; and (ii) fifty percent (50%) of the Sales Tax Revenues attributable to the operation of each Additional Hotel.

408.3 Retail/Restaurant/Entertainment Component Tax Rebate Payments. With respect to each separate portion of the Retail/Restaurant/Entertainment Component, City shall pay to the Developer annually, for the period commencing on the date on which Completion of Construction of each such portion of the Retail/Restaurant/Entertainment Component has occurred and for a period of twenty (20) years thereafter, an amount equal to fifty percent (50%) of the Sales Tax Revenues attributable to each such portion of the Retail/Restaurant/Entertainment Component (i.e., there shall be separate 20-year payment periods for each such portion of the Retail/Restaurant/Entertainment Component).

408.4 Timing of Tax Rebate Payments. City shall remit the Tax Rebate Payments to Developer annually, no later than ninety (90) days after the end of the City's Fiscal Year (July 1-June 30).

408.5 Conditions Precedent to Remittance of Tax Rebate Payments. The City's obligation to pay the Tax Rebate Payments pursuant to this Section 408 is conditioned upon all of the following conditions precedent, which shall be satisfied on the date of the applicable disbursement: (i) this Agreement shall remain in full force and effect and not have been terminated, and (ii) there shall be no Default by the Developer under the Agreement which remains uncured on the date such Tax Rebate Payments, or applicable portion thereof, would otherwise be made to the Developer, including, without limitation, Completion of Construction prior to the time set forth in the Schedule of Performance and operation of the Project consistent with the Covenants and Scope of Development.

408.6 Tax Revenues Not Security for Tax Rebate Payments. Developer acknowledges and agrees that neither the Transient Occupancy Tax Revenues, the Sales Tax Revenues, nor any other general or special funds of the City, are pledged or otherwise encumbered, hypothecated to or given as security for the Tax Rebate Payments.

409. Allocation of Tax Rebate Payments. Notwithstanding the allocations of Tax Rebate Payments described in Section 408, above, the Developer may, without the approval of the City, reallocate the Tax Rebate Payments between and among the separate development entities who own the Separate Components, as described in Section 103.2.

500. DEFAULTS AND REMEDIES

501. Default Remedies. Subject to Enforced Delay and compliance with the provisions of this Agreement which provide for the protection of Mortgagee rights, including the provisions of Section 311 of this Agreement, failure or delay by either party to perform any material term or provision of this Agreement (a "Breach") following notice and failure to cure as described hereafter constitutes a "Default" under this Agreement.

The nondefaulting party shall give written notice of any Breach to the party in Breach, specifying the Breach complained of by the nondefaulting party ("Notice of Default"). Delay in giving such Notice of Default shall not constitute a waiver of any Breach nor shall it change the time of Breach. Upon receipt of the Notice of Default, the party in Breach shall promptly commence to cure the identified Breach at the earliest reasonable time after receipt of the Notice of Default and shall complete the cure of such Breach not later than thirty (30) days after receipt of the Notice of Default, or, if such Breach cannot reasonably be cured within such thirty (30) day period, then as soon thereafter as reasonably possible, provided that the party in Breach shall diligently pursue such cure to completion ("Cure Period"). Failure of the party in Breach to cure the Breach within the Cure Period set forth above shall constitute a "Default" hereunder.

Any failures or delay by either party in asserting any of its rights and remedies as to any Breach or Default shall not operate as a waiver of any Breach or Default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

CITY SHALL ALSO BE REQUIRED TO SEND NOTICES OF DEFAULT TO EACH MORTGAGEE FOR WHICH CITY HAS RECEIVED A MORTGAGEE NOTICE.

502. Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Orange, State of California, in an appropriate municipal court in that county, or in the United States District Court for the Central District of California. Notwithstanding the foregoing or any other provision of this Agreement, in any such legal action, the remedies available to either party for breach of this Agreement or any provision hereof by the other party shall be solely limited to rescission, injunction, specific performance, and/or the payment of monies expressly required by this Agreement, and in no event shall either party be entitled to any other direct or indirect monetary damages of any kind, including, without limitation, loss of opportunity, loss of business, loss of profits, or consequential, incidental, or special damages. The foregoing limitation shall not be interpreted to limit the parties' respective rights and obligations pursuant to Sections 306, 307, 311 and/or 503 of this Agreement.

503. Re-entry and Revesting of Title in the City After the Closing and Prior to Completion of Construction. Without limiting the rights as set forth in Section 311, and without affecting the priority of the lien of the Holder's deed of trust or mortgage, the City has the right, at its election, to reenter and take possession of any portion of the Site with all Developer Improvements thereon, and terminate and Revest in the City the estate conveyed to the Developer with respect to such portion of the Site only if after the Closing and prior to the issuance of the final Release of

Construction Covenants with respect to such portion of the Site, the Developer (or its successors in interest) shall:

(a) fail to start the construction of the Developer Improvements on such portion of the Site as required by this Agreement for a period of ninety (90) days after Notice thereof from the City subject to extension pursuant to Section 602; or

(b) abandon or substantially suspend construction of the Developer Improvements on such portion of the Site required by this Agreement for a period of ninety (90) days after Notice thereof from the City subject to extension pursuant to Section 602; or

(c) contrary to the provisions of Sections 101 or 103 hereof, Transfer or suffer any involuntary Transfer in violation of this Agreement, and such Transfer, if it is a Transfer requiring approval by the City, is not rescinded within thirty (30) days of Notice thereof from City to Developer.

Such right to reenter, terminate and Revest is subject to the quiet enjoyment, and, if applicable, the right to continue to complete construction by (i) Tenants or other occupants who have (a) executed leases or subleases and (b) incurred substantial expenses in connection with the design and/or construction of improvements required to be constructed by such Tenant under such lease or sublease and (ii) a Holder, in the case where the Developer is in Default and, *vis à vis* a Holder, shall be exercisable only if:

1. Such Holder (or its Nominee) (a) shall have failed to cure any Default within the applicable cure periods granted to such Holder (or its Nominee), or (b) shall have given City written notice that it will not cure any such Default or condition or that it will otherwise not comply with the terms and conditions of this Agreement; and

2. City, within ninety (90) days after the occurrence of any events described in subparagraph 1. immediately above, shall commence the exercise of its right of entry and shall pay to Holder (or its Nominee) in immediately available funds, the Loan Balance prior to Revesting.

In the event of a failure or refusal to cure a Default, as described in subparagraph 1. above, City's sole remedy *vis a vis* Holder shall be the exercise of the re-entry right and Revesting in accordance herewith.

The conditions to the commencement of the exercise of the City's right to re-enter and Revest as described above shall be applicable whether the re-entry and Revesting occurs (a) prior to foreclosure (or deed in lieu of foreclosure) by the Holder (or its Nominee) under its mortgage or deed of trust; or (b) after Holder (or its Nominee) acquires title to the Site by foreclosure (or deed-in-lieu of foreclosure) under its mortgage or deed of trust.

The applicable Grant Deeds shall contain appropriate reference and provision to give effect to the City's right as set forth in this Section 503, under specified circumstances prior to recordation of the Release of Construction Covenants, to reenter and take possession of the Site, with all improvements thereon, and to terminate and Revest in the City the estate conveyed to the Developer. Upon the Revesting in the City of title to the Site, as provided in this Section 503, the City shall use its reasonable efforts to resell the Site, or portion thereof, as soon and in such manner

as the City shall find feasible and consistent with this Agreement and the Scope of Development to a qualified and responsible party or parties (as determined by the City) who will assume the obligation of constructing or completing the Developer Improvements, or such improvements in their stead as shall be satisfactory to the City and in accordance with Scope of Development. Upon such resale of the Site, the net proceeds thereof, shall be applied:

(i) First, to reimburse the City all costs and expenses incurred by the City, excluding in-house City staff costs, but specifically, including, but not limited to, any expenditures by the City in connection with the recapture, management and resale of the Site, or part thereof (but less any income derived by the City from the Site, or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Site, or part thereof, which the Developer has not paid (or, in the event that the Site is exempt from taxation or assessment of such charges during the period of ownership thereof by the City, an amount, if paid, equal to such taxes, assessments, or charges as would have been payable if the Site were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Site, or part thereof, at the time of Revesting of title thereto in the City, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the constructing or completion of the improvements or any part thereof on the Site, or part thereof; and any amounts otherwise owing the City, and in the event additional proceeds are thereafter available, then

(ii) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the sum of (a) actual and direct third party costs incurred by the Developer for the Developer Improvements existing on the Site, at the time of the re-entry and possession, less (b) any gains or net income received by the Developer from the Site, or the improvements thereon.

(iii) Any balance remaining after such reimbursements shall be retained by the City as its property. The rights established in this Section 503, except as may otherwise be provided in this Section 503, are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the City will have conveyed the City Property and the Agency Property and provided other financial assistance to the Developer for development of a high quality hotel project, particularly for development and operation of the Project, and not for speculation in undeveloped land.

504. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

505. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

506. **Applicable Law.** The laws of the State shall govern the interpretation and enforcement of this Agreement.

600. GENERAL PROVISIONS

601. **Notices, Demands and Communications Between the Parties.** Any approval, disapproval, demand, document or other notice ("Notice") required or permitted under this Agreement must be in writing and shall be sufficiently given if delivered by hand (and a receipt therefore is obtained or is refused to be given) or dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by telecopy, or email or overnight delivery service to:

To City: City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager

with a copy to: Garden Grove City Attorney
11222 Acacia Parkway
Garden Grove, California 92840

To Developer: Land & Design, Inc.
3775 Avocado Boulevard, #516
La Mesa, California 91941
Attention: Matthew Reid

with a copy to: David Rose
420 McKinley Street, Suite 111
Corona, California 92879

with a copy to: Allen Matkins Leck Gamble Mallory & Natsis, LLP
501 West Broadway, 15th Floor
San Diego, California 92101
Attention: Tom Crosbie

Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section.

602. **Extension of Times of Performance.** In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays are due to ("Enforced Delay"): litigation challenging the validity of this transaction or any element thereof or the right of either party to engage in the acts and transactions contemplated by this Agreement; inability to secure necessary labor materials or tools; actions in connection with the remediation of Hazardous Materials, including groundwater contamination; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism; epidemics; quarantine restrictions; freight embargoes; unanticipated subsurface conditions that delay performance; lack of transportation; governmental restrictions or priority; building moratoria; unusually severe weather; or acts or omissions of the other party; acts or failures to act of any other public or governmental agency or entity (other than the acts or failures to act of the City which shall

not excuse performance by the City); or during the pendency of any dispute between City or Developer, regarding Developer's construction obligations hereunder provided that the party claiming the right to an extension of time is determined to be the prevailing party in such dispute. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period reasonably attributable to the Enforced Delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the later of commencement of the cause or such party's discovery of such cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the City and Developer. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to Complete Construction of the Developer Improvements shall not constitute grounds of enforced delay pursuant to this Section 602.

603. Non Liability of Officials and Employees of City and Developer. No member, official, shareholder or employee of either party shall be personally liable to the other party, or any successor in interest, in the event of any Default or Breach by the either party or for any amount which may become due to either party or their successors, or on any obligations under the terms of this Agreement.

604. Relationship Between City and Developer. It is hereby acknowledged that the relationship between the City and Developer is not that of a partnership or joint venture and that the City and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the Exhibits hereto, the City shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Site.

605. City Approvals and Actions Through City Manager. Whenever a reference is made herein to an action or approval to be undertaken by the City, the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the context should require otherwise.

606. Commencement of City Review Period. The time periods set forth herein and in the Schedule of Performance for the City's approval of agreements, plans, drawings, or other information submitted to the City by Developer and for any other City consideration and approval hereunder which is contingent upon documentation required to be submitted by Developer shall only apply and commence upon the submittal of all the reasonably required information. In no event shall a materially incomplete submittal by Developer trigger any of the City's obligations of review and/or approval hereunder; provided, however, that the City shall notify Developer of an incomplete submittal as soon as is practicable.

607. Successors and Assigns. All of the terms, covenants, conditions, representations, and warranties, of this Agreement shall be binding upon City and Developer and their respective permitted successors and assigns. Whenever the term "Developer" or "City," as the case may be, is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

608. Assignment by City. The City may assign or transfer any of its rights or obligations under this Agreement with the approval of Developer, which approval shall not be unreasonably withheld.

609. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

610. Integration. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement includes pages 1 through 48 (includes signature page) and Exhibits A through L, (each such Exhibit incorporated in this Agreement as if fully set forth herein) which together constitute the entire understanding and agreement of the parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

611. Attorneys' Fees. In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees. Costs recoverable for enforcement of any judgment shall be deemed to include reasonable attorneys' fees.

612. Administration. This Agreement shall be administered and executed by the City Manager, or his/her designated representative, following approval of this Agreement by the City. The City shall maintain authority of this Agreement through the City Manager (or his/her authorized representative). The City Manager shall have the authority but not the obligation to issue interpretations, waive provisions, approve the Declaration, extend time limits, make minor modifications to prior City design approvals, and/or enter into amendments of this Agreement on behalf of the City so long as such actions do not substantially change the uses or development permitted on the Site, or add to the costs to the City as specified herein as agreed to by the City Council, and such amendments may include extensions of time specified in the Schedule of Performance. All other waivers or amendments shall require the written consent of the City Council.

613. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to Section numbers are to sections in this Agreement, unless expressly stated otherwise.

614. Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

615. No Waiver. A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

616. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

617. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

618. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens) and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded in which case such day is the day following the excluded day(s). The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time.

619. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

620. Time of Essence. Time is expressly made of the essence with respect to the performance by the City and Developer of each and every obligation and condition of this Agreement.

621. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement. In this regard, Developer and the City agree to mutually consider reasonable requests for amendments to this Agreement and/or other estoppel documents. The party making the request shall be responsible for the costs incurred by the other party, including without limitation attorneys' fees, (the "Amendment/Estoppel Costs") in connection with any amendments to this Agreement and/or estoppel documents which are requested by such party (the "Developer/City Request") regardless of the outcome of the Developer/City Request.

622. Conflicts of Interest. No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his/her personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

623. Time for Acceptance of Agreement by the City. This Agreement, when executed by Developer and delivered to the City, must be authorized, executed and delivered by the City on or before thirty (30) days after signing and delivery of this Agreement by Developer or this Agreement

shall be void, except to the extent that Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

624. Consideration of Agreement Modification. The Parties recognize that due to the changing economic conditions as it relates to hotel development, there is a possibility that the terms described herein will need to be modified based on requirements of the Franchisor(s), Hotel Operator(s) and/or Construction Lender and/or other debt or equity contributors. With this in mind, the parties agree that in such event, the Parties agree that they will discuss any such requested modifications with the idea in mind of modifying or amending this Agreement, if required, with each Party acting in their sole and absolute discretion and without any commitment to the other to agree to any such requested modification or revision.

625. Recordation of Memorandum of Agreement. The Memorandum of Agreement shall be recorded concurrently with the Close of Escrow, or at such other time as mutually agreed in writing by City and Developer, and the terms hereof shall survive Closing and run with the land for the period of time set forth herein.

626. Repudiation of DDA Between Developer and Agency. Developer hereby acknowledges and agrees that, upon the Conveyance of the City Property and the Agency Property to Developer pursuant to this Agreement, that certain Disposition and Development Agreement pertaining to the Site ("DDA") entered into on or about June 14, 2011, by and between Developer and the former Garden Grove Agency for Community Development shall be deemed terminated, void and of no further force and effect as to Agency or City. Developer also agrees that, for so long as this Agreement remains in effect, it will not attempt to enforce the DDA against the Agency.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates set forth below.

CITY:

CITY OF GARDEN GROVE, a municipal corporation

Dated: April 9, 2013

By: Matthew J. Fertal
Matthew J. Fertal, City Manager

ATTEST:

Kathleen Bauer
City Clerk

APPROVED AS TO FORM:

Thomas F. Nixon
Thomas F. Nixon
City Attorney

DEVELOPER

LAND & DESIGN, INC., a California corporation

Dated: 4/4/2013, 2013

By: Matthew Reid
Matthew Reid, President

EXHIBIT A

SITE MAP

SITE MAP
(Site C)

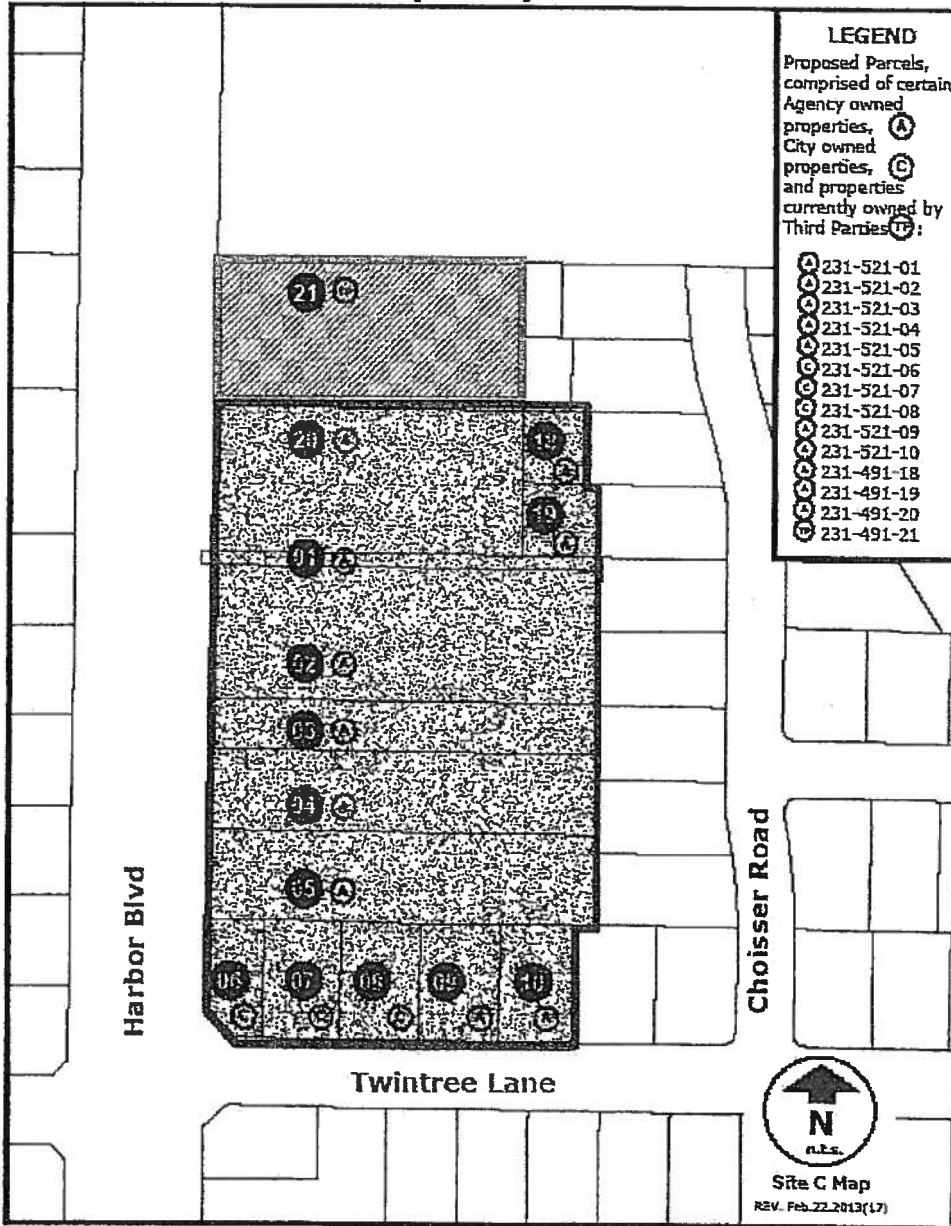


EXHIBIT B

LEGAL DESCRIPTION

CITY PROPERTY

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

LOTS 215, 216, AND 217 OF TRACT NO. 2012, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 55, PAGES 47, 48, AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

ALSO EXCEPT THEREFROM ALL WATER AND SUBSURFACE WATER RIGHTS, WITHOUT THE RIGHT OF SURFACE ENTRY, BELOW A DEPTH OF 500 FEET, AS DEDICATED OR RESERVED IN INSTRUMENTS OF RECORD.

END OF LEGAL DESCRIPTION

APNs: 231-521-06, 231-521-07, and 231-521-08

AGENCY PROPERTY

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

PARCEL 1:

THE SOUTH 129.44 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, IN TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 231-491-20

PARCEL 2:

PARCEL 2A:

THE WEST 400 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, IN THE RANCHO LAS BOLSAS,

EXHIBIT B

-1-

CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPT THEREFROM THE NORTH 12 FEET.

ALSO EXCEPT THEREFROM THE SOUTH 200 FEET.

ALSO EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES LYING IN, UNDER OR ON THE ABOVE DESCRIBED LAND UNTIL FEBRUARY 2, 1974, AS RESERVED IN THE DEED FROM WALTER R. GISLER, TOM P. GISLER, HAROLD GISLER, EMMA G. STOFFEL, DELLA G. HARPSTER, AGNES G. MARSHALL AND LUCILLE G. ALLAIRE, ALSO KNOWN AS LUCILLE G. ALLARE, RECORDED MARCH 31, 1949 IN BOOK 1823, PAGE 196 OF OFFICIAL RECORDS WHICH DEED PROVIDES, THAT SHOULD OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES BE DISCOVERED PRIOR TO SAID FEBRUARY 2, 1974, OR BE DISCOVERED IN ANY WELL BEING DRILLED ON SAID PREMISES ON SAID DATE, OR BE DISCOVERED SUBSEQUENTLY TO SAID DATE IN ANY LEASE THAT IS IN EFFECT ON SAID FEBRUARY, 2, 1974, COVERING THE ABOVE DESCRIBED PROPERTY, OR ANY PART THEREOF, THEN AND IN THAT EVENT THE GRANTORS EXCEPT FROM THIS GRANT AND RESERVE TO THEMSELVES, THEIR SUCCESSORS AND ASSIGNS, ONE-HALF OF ALL OIL, GAS, MINERALS OR HYDROCARBON SUBSTANCES PRODUCED FROM SAID PROPERTY DURING THE TERMS OF SAID LEASE, AND SO LONG AS OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES ARE PRODUCED FROM SAID PROPERTY, ALSO RESERVING THE RIGHT OF ENTRY UPON THE SURFACE AND INTO THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND PRODUCING SAID SUBSTANCES, OR ANY OF THEM; AND FURTHER RESERVING ONE-HALF OF ANY BONUS OR RENTAL PAID BY ANY LESSEE ON ACCOUNT OF ANY SUCH OIL, GAS, MINERAL OR OTHER HYDROCARBON LEASE COVERING SAID PROPERTY.

PARCEL 2B:

THE NORTH 12 FEET OF THE WEST 400 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, IN THE RANCHO LAS BOLSAS AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

APN: 231-521-01; 231-521-02

PARCEL 3

PARCEL 3A:

HAS BEEN INTENTIONALLY OMITTED.

EXHIBIT B

-2-

PARCEL 3B:

AN EASEMENT FOR INGRESS AND EGRESS AND FOR PUBLIC UTILITIES OVER THE NORTH 12 FEET OF THE WEST 400 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, IN THE RANCHO LAS BOLSAS AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL 3C:

THE NORTH 45 FEET OF THE SOUTH 200 FEET OF THE WEST 400 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, IN TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 51, PAGE 7, ET SEQ., MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY;

EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN, UNDER OR ON THE ABOVE DESCRIBED PROPERTY, UNTIL FEBRUARY 2, 1974; PROVIDED, HOWEVER, THAT SHOULD OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES BE DISCOVERED PRIOR TO SAID FEBRUARY 2, 1974, OR BE DISCOVERED IN ANY WELL BEING DRILLED ON SAID PREMISES ON SAID DATE, OR BE DISCOVERED SUBSEQUENTLY TO SAID DATE IN ANY LEASE THAT IS IN EFFECT ON SAID FEBRUARY 2, 1974, COVERING THE ABOVE DESCRIBED PROPERTY, OR ANY PART THEREOF, THEN AND IN THAT EVENT THE GRANTORS EXCEPT FROM THIS GRANT AND RESERVED TO THEMSELVES, THEIR SUCCESSORS AND ASSIGNS, ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES PRODUCED FROM SAID PROPERTY DURING THE TERM OF SAID LEASE, AND SO LONG AS OIL, GAS MINERAL OR HYDROCARBON SUBSTANCES ARE PRODUCED FROM SAID PROPERTY; ALSO RESERVING THE RIGHT OF ENTRY UPON THE SURFACE AND INTO THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND PRODUCING SAID SUBSTANCES, OR ANY OF THEM; AND FURTHER RESERVING ONE-HALF OF ANY BONUS OR RENTAL PAID BY ANY LESSEE ON ACCOUNT OF ANY SUCH OIL, GAS, MINERAL OR OTHER HYDROCARBON LEAS COVERING SAID PROPERTY, AS RESERVED BY WALTER R. GISLER, ET AL., IN DEED RECORDED MARCH 31, 1949 IN BOOK 1823, PAGE 196, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY.

PARCEL 3D:

A NON-EXCLUSIVE EASEMENT FOR THE OPERATION AND MAINTENANCE OF WATER PIPE LINES OVER THE EAST 6 FEET OF SAID WEST 400 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE

EXHIBIT B

-3-

NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPT THEREFROM THE NORTH 12 FEET.

ALSO EXCEPTING THE SOUTH 200 FEET THEREOF.

PARCEL 3E:

THE SOUTH 200 FEET OF THE WEST 400 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34 IN TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 51, PAGE 7, ET SEQ., MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

EXCEPT THE NORTH 45 FEET THEREOF;

ALSO EXCEPT THEREFROM THE SOUTH 84 FEET THEREOF;

ALSO EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN, UNDER OR ON THE ABOVE DESCRIBED PROPERTY, AS RESERVED BY WALTER R. GISLER, ET AL., IN DEED RECORDED IN BOOK 1823, PAGE 196, OFFICIAL RECORDS.

PARCEL 3F:

THE SOUTH 84 FEET OF THE WEST 400 FEET OF THE NORTH ONE-HALF OF THE NORTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 51, PAGE 10 ET SEQ., OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

EXCEPT ALL RIGHT, TITLE AND INTEREST IN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS LYING IN AND UNDER THE SURFACE OF THE FOLLOWING DESCRIBED PROPERTY, BELOW THE DEPTH OF FIVE HUNDRED FEET, UNTIL FEBRUARY 2, 1974. PROVIDED, HOWEVER THAT SHOULD OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES BE DISCOVERED BELOW THE DEPTH OF FIVE HUNDRED FEET PRIOR TO FEBRUARY 2, 1974, OR BE DISCOVERED IN ANY WELL BEING DRILLED ON SAID DATE OR BE DISCOVERED SUBSEQUENTLY TO SAID DATE IN ANY LEASE THAT IS IN EFFECT ON FEBRUARY 2, 1974, COVERING SAID PROPERTY, OR ANY PART THEREOF, THEN AND IN THAT EVENT, THE ABOVE NAMED GRANTEE HEREIN, OR THEIR SUCCESSORS AND ASSIGNS, SHALL BE ENTITLED TO ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON

EXHIBIT B

-4-

SUBSTANCES PRODUCED FROM SAID PROPERTY BELOW SAID FIVE HUNDRED FOOT DEPTH DURING THE TERM OF SAID LEASE AND SO LONG AS OIL, GAS, MINERAL OR HYDROCARBON SUBSTANCES ARE SO PRODUCED, THEY HAVING THE RIGHT OF ENTRY INTO THE SUBSURFACE OF SAID LAND BELOW THE DEPTH OF FIVE HUNDRED FEET BY THE METHOD COMMONLY KNOWN AS WHIPSTOCKING OR SLANT DRILLING FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND PRODUCING SAID SUBSTANCES OR ANY OF THEM.

APN: 231-521-03, 231-521-04 & 05

PARCEL 4:

LOTS 215, 216 AND 217 OF TRACT NO. 2012, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 55, PAGES 47, 48 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN INSTRUMENTS OF RECORD.

ALSO EXCEPT THEREFROM ALL WATER AND SUBSURFACE WATER RIGHTS, WITHOUT THE RIGHT OF SURFACE ENTRY, BELOW A DEPTH OF 500 FEET, AS DEDICATED OR RESERVED IN INSTRUMENTS OF RECORD.

APN: 231-521-06; 231-521-07 and 231-521-08

PARCEL 5:

LOT 214 OF TRACT NO. 2012, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 55, PAGES 47, 48, AND 49 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

EXCEPTING ONE HALF OF ALL OIL, GAS, MINERALS, AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING FOR, BORING, EXTRACTING, DRILLING, MINING, PROSPECTING FOR, REMOVING OR MARKETING SAID SUBSTANCES, AS RESERVED IN THE DEED FROM ENEST JAMES SMALL, RECORDED IN JANUARY 14, 1954, IN BOOK 2649, PAGE 103 OF OFFICIAL RECORDS.

ALSO EXCEPTING AN UNDIVIDED ONE-QUARTER OF SAID OIL, GAS, MINERALS, AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND BUT WITHOUT THE RIGHT OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING FOR, BORING, EXCAVATION, DRILLING, MINING, PROSPECTING FOR, REMOVING OR

EXHIBIT B

-5-

MARKETING SAID SUBSTANCES, AS RESERVED IN THE DEED FROM LAMPSON HOMES, INC., RECORDED JUNE 21, 1955 IN BOOK 3110, PAGE 148 OF OFFICIAL RECORDS.

APN: 231-521-09

PARCEL 6:

LOT 213 OF TRACT NO. 2012, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 55, PAGE(S) 47, 48 AND 49 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

EXCEPTING ONE HALF OF ALL OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING FOR, BORING, EXTRACTING, DRILLING, MINING, PROSPECTING FOR, REMOVING OR MARKETING SAID SUBSTANCES, AS RESERVED IN THE DEED FROM ERNEST JAMES SMALL, RECORDED JANUARY 14, 1954 IN BOOK 2649, PAGE 103 OF OFFICIAL RECORDS.

ALSO EXCEPTING AN UNDIVIDED ONE-QUARTER OF SAID OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND BUT WITHOUT THE RIGHT OF ENTRY UPON ANY PORTION OF THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING FOR, BORING, EXCAVATION, DRILLING, MINING, PROSPECTING FOR, REMOVING OR MARKETING SAID SUBSTANCES, AS RESERVED IN THE DEED FROM LAMPSON HOMES, INC., RECORDED AUGUST 5, 1954 IN BOOK 2785, PAGE 534 OF OFFICIAL RECORDS.

APN: 231-521-10

PARCEL 7:

THAT PARCEL IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 231-491-18 ON THE SITE PLAN, BEING A PORTION OF LOT 7 IN TRACT NO. 2782, AS PER MAP RECORDED IN BOOK 89, PAGES 24 AND 25 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. AS OF THE DATE OF THIS AGREEMENT, THE PRECISE LEGAL DESCRIPTION FOR THIS PARCEL WAS NOT AVAILABLE. UPON WRITTEN APPROVAL OF BOTH CITY AND DEVELOPER, THE PRECISE LEGAL DESCRIPTION SHALL BE AUTOMATICALLY SUBSTITUTED FOR THIS DESCRIPTION.

APN: 231-491-18

PARCEL 8:

REAL PROPERTY IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

EXHIBIT B

-6-

PARCEL 8A:

LOT 8 OF TRACT NO. 2782, AS PER MAP RECORDED IN BOOK 89, PAGES 24 AND 25 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 65.75 FEET THEREOF.

PARCEL 8B:

THE WESTERLY 65.75 FEET OF LOT 8 OF TRACT NO. 2782, AS PER MAP RECORDED IN BOOK 89, PAGES 24 AND 25 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 231-491-12 and 231-491-19

THIRD PARTY PROPERTY

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

THE NORTH 129.44 FEET OF THE SOUTH 258.88 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, COUNTY OF ORANGE, STATE OF CALIFORNIA.

APN 231-491-21

EXHIBIT B

-7-

EXHIBIT C

SCOPE OF DEVELOPMENT

Unless otherwise specified herein, all capitalized terms in the Scope of Development shall have the meaning(s) set forth for the same in the Grove District Resort Hotel Development Agreement (RHDA) to which this Scope of Development is attached.

I. DEVELOPER IMPROVEMENTS

A. Retail/Restaurant/Entertainment

The following shall be the sole cost and expense of the Developer:

1. The Developer shall construct on the Site the Retail/Restaurant/Entertainment Component(s) consisting of a minimum of five thousand (5,000) and a maximum of sixty-five thousand (65,000) square feet of gross leaseable area and required parking (subject to Parking Structures). Those retail, restaurant and entertainment uses listed on Exhibit L to the RHDA shall be considered the City pre-approved list of Retail/Restaurant/Entertainment uses. The Developer, from time to time, may submit additional lists of possible retail, restaurant and entertainment uses for City review and approval, which shall not be unreasonably withheld.

The design and architecture of the improvements for the retail, restaurant, and entertainment uses shall follow the City's General Plan, the Land Use Approvals, the Governmental Requirements, and all other requirements and provisions of the RHDA, as applicable.

B. Hotels

The following shall be the sole cost and expense of the Developer:

1. The Developer shall construct an Upper Upscale Hotel of at least "upper upscale" quality, which contains no less than three hundred (300) rooms and not less than ten thousand (10,000) square feet of event/meeting space. Each Upper Upscale Hotel shall also include required parking, as well as a central lobby, full-service/specialty restaurant (with room service), cocktail bar, spa, gift shop(s), business center, fitness center, and concierge service consistent in quality with those hotels included on the list of Pre-Approved Upper-Upscale Flag(s)/Operator(s) (Exhibit L). Those Upper-Upscale Hotels listed on Exhibit L to the RHDA shall be considered the pre-approved list of Upper Upscale Flag(s)/Operator(s). The Developer, from time to time, may submit additional lists of possible Upper Upscale Flags/Operators for City review and approval, which shall not be unreasonably withheld.

All Upper Upscale Hotel guest rooms shall range in size from 300 gross square feet to over 400 gross square feet. All rooms will include flat screen TV's and high speed internet access, and other standard items such as alarm clocks, hair dryers, irons and ironing boards. A limited number of larger suites will provide separate bedrooms, private bathrooms, and separate seating/living areas. There will also be suites with king beds, flat screen televisions and wireless internet access.

The Developer shall construct up to two (2) Additional Hotels of at least "midscale" quality, which, in the aggregate, contain no less than two hundred fifty (250) rooms and which, separately, contain no less than one hundred twenty-five (125) rooms each. Each Additional Hotel shall also include required parking, as well as a central lobby, business center, and fitness center consistent in quality with those hotels include on the list of Pre-Approved Additional Flag(s)/Operator(s) (Exhibit L). Those Additional Hotels listed on Exhibit L to the RHDA shall be considered the pre-approved list of Additional Hotel Flag(s)/Operator(s). The Developer, from time to time, may submit additional lists of possible Additional Hotel Flag(s)/Operator(s) for City review and approval, which shall not be unreasonably withheld.

All Additional Hotel guest rooms range in size from 300 gross square feet to over 400 gross square feet. All rooms will include flat screen TV's and high speed internet access, and other standard items such as alarm clocks, hair dryers, irons and ironing boards.

The design and architecture of the Hotels shall comply with the City's General Plan, the Land Use Approvals, the Governmental Requirements, and the all other requirements and provisions of the RHDA, as applicable, and shall be consistent with the cost estimates for construction provided in the Developer's Pro Forma, the Basic Concept and Design Development Drawings and the Construction Plans and Drawings. Particular attention shall be paid to massing, scale, color, and materials.

In addition to the minimum standards for the Hotel(s) associated with the Pre-Approved Additional Flag(s)/Operator(s) and Pre-Approved Upper Upscale Flag(s)/Operator(s), (i) the standards attached hereto as Attachment No. 1 shall also apply to the Upper Upscale Hotel(s), and (ii) notwithstanding anything to the contrary contained in the RHDA or this Exhibit C, (a) the finishes, standards and quality of the Upper Upscale Hotel(s) shall equal or exceed those of the Westin Pasadena as of the date of the RHDA, and (b) the finishes, standards and quality of the Additional Hotel(s) shall equal or exceed those of the Homewood Suites Garden Grove as of the date of the RHDA.

The RHDA and this Scope of Development shall not be interpreted to prohibit the Developer from developing and/or designating all or a portion

EXHIBIT C

of the Upper Upscale Hotel(s) and/or Additional Hotel(s) as a Vacation Ownership Resort (Timeshare) project, provided that (i) any such development and/or designation of all or a portion of the Hotel(s) as a Vacation Ownership Resort (Timeshare) project is consistent with the Land Use Approvals and applicable Governmental Requirements, and (ii) the City and the Developer reach an agreement acceptable to the City, in its sole and absolute discretion, providing for payment by Developer to City of an amount approximately equivalent to the amount of Transient Occupancy Tax Revenues, if any, that would be collected by City if such portion of the Hotel(s) was not developed and/or designated as a Vacation Ownership Resort (Timeshare) project.

2. In lieu of the combination of one Upper Upscale Hotel and up to two Additional Hotels described in Section I(B)(1) above, Developer may, in the alternative, elect to develop, in a manner consistent with the Land Use Approvals, (a) either, a single, larger, Upper Upscale Hotel, or a combination of multiple Upper Upscale Hotels, which, in the aggregate, contain no less than four hundred fifty (450) rooms, not less than fifteen thousand (15,000) square feet of meeting space, and at least two full-service restaurants, and which otherwise satisfy the hotel furniture, fixture and equipment and amenity standards for an Upper Upscale Hotel set forth in Section I(B)(1); and (b) at the Developer's option, one (1) or more Additional Hotels, which otherwise satisfy the hotel furniture, fixture and equipment and amenity standards for an Additional Hotel set forth in Section I(B)(1). The Developer expressly acknowledges and agrees that any and all Additional Land Use Approvals necessary for the development of the Hotels described in the foregoing alternative, including, without limitation, all additional environmental review, if any, determined by City to be required pursuant to the California Environmental Quality Act ("CEQA"), shall be secured at the Developer's sole cost and expense within the time periods set forth in the Schedule of Performance, and shall be subject to the discretionary approval of the City, acting in its municipal capacity and exercising its police powers.

C. Parking Structures

The following shall be the sole cost and expense of the Developer, except to the extent otherwise funded through CFD Financing pursuant to Section 301.3 of the RHDA:

1. The Developer shall construct, maintain and operate the Parking Structures as shown on the Conceptual Site Plan and/or any subsequent Additional Land Use Approvals approved by the City.

The vehicular entry points to the Parking Structures shall be located as shown on the Conceptual Site Plan and/or any subsequent Additional Land Use Approvals approved by the City.

EXHIBIT C

The Parking Structures shall be designed for ease of operations and patron convenience with one-way traffic lanes, angled parking stalls, no parking on ramps, two lanes of continuous vertical traffic flow, and separated inbound/outbound lanes.

D. Site Improvements

The following shall be the sole cost and expense of the Developer:

1. The Developer shall construct all improvements from the back of the curb face, including sidewalks, driveways, street lights, pedestrian light standards, signs, parkway landscape (but excluding traffic or pedestrian or traffic signal poles which are the responsibility of the City). All such improvements shall be constructed in accordance with the Harbor Boulevard Streetscape Improvement Plan, the Land Use Approvals, and the Governmental Requirements. Improvements include the east side of Harbor Boulevard from the most south boundary portion of the Site to the most north boundary portion of the Site.

E. Tentative and Final Map

Except as otherwise expressly provided below and in the RHDA, the Developer shall, at the sole cost and expense of the Developer, apply for and obtain any and all Additional Land Use approvals required in connection with the construction and operation of the Project, including, without limitation, a tentative and final Subdivision Map for the Site. Notwithstanding the foregoing sentence, provided the final proposed Project is substantially consistent with the Conceptual Site Plan, City shall pay for the costs associated with preparation of the tentative and final Subdivision Map. In the event the final proposed Project is not substantially consistent with the Conceptual Site Plan, the Developer shall be responsible for all costs and expenses associated with preparation of the tentative and final Subdivision Map.

II. CITY IMPROVEMENTS

The following shall be the sole cost and expense of the City:

1. Relocation of all occupants of the Site in compliance with all applicable federal, state and local laws and regulations concerning displacement and relocation, as applicable;
2. The demolition and removal of all existing structures and improvements, including foundations, and, subject to and as provided in Section 204, remediation of any Hazardous Materials on the City Property and the Agency Property, the proper disposal and mitigation of lead-based paint, asbestos and other environmental hazards pursuant to the requirements of the Department of Health Services in compliance with all applicable federal, state and local laws and

regulations with respect to demolition and/or disposal and mitigation as described above; and

3. Installation and completion of all Offsite Infrastructure (i.e., the traffic signal and raised median improvements described in Performance Standards Nos. 8 and 9, respectively, of the PUD, and such other public improvements required to be constructed and/or installed in the public right-of-way pursuant to the Land Use Approvals, but excluding any sidewalks, driveways, street lights, pedestrian light standards, signs, parkway landscaping, and/or other improvements to be constructed from the back of the curb face by Developer, including any required environmental mitigation measures directly related to the construction and/or installation of such public improvements).

III. ARCHITECTURE AND DESIGN

A. Building Design

The following shall be the sole cost and expense of the Developer:

1. The Developer shall develop construction plans and design documents, which shall be developed in compliance with the Land Use Approvals. The architecture is expected to create a unique identity with a cohesive, integrated architectural style that complements the surrounding developments. Particular attention shall be paid to massing, scale, color, and materials in order to articulate the buildings elevations. The elevations shall, to extent as possible, avoid flat or one-dimensional elevations. Architectural attention shall be given to the main entrance/lobby of the Hotel(s), which shall include a porte-cochere that complements the main building.

B. Building Service, Project Traffic and Management

The following shall be the sole cost and expense of the Developer:

1. The Developer shall develop a building service, project traffic and management plan. The plan shall be included within the Declaration and shall, at a minimum, include the following:
 - (a) A service plan that includes general times for deliveries, trash collection, street cleaning and the agreed upon routing for such service-vehicles. This plan shall include routing and stopping for patron drop-off and small service-vehicles including mail, overnight delivery and messengers as well as conference facility deliveries. This plan shall also include routing and marked areas for emergency services.
 - (b) A traffic plan that includes the Developer's commitment to pay for traffic control officers at the entrances to the Parking Structure(s)

EXHIBIT C

during holiday peak periods and for special events that are expected to generate large volumes of traffic.

- (c) A maintenance and management plan that includes cleaning and refuse policing, no visibility into service areas from public streets, degreasing and deodorizing (particularly for the service, trash and garbage areas), re-stripping, re-painting, re-lighting, drainage cleaning, signage, graffiti management and security.
- (d) Repair and maintenance of the Project in accordance with Section 301.1 of the RHDA.

C. Landscaping

All areas of the Site that are not used for buildings, sidewalks, driveways or other hardscape improvements shall be landscaped in accordance with the Land Use Approvals and a landscaping plan to be approved by the City. The Developer, at its sole cost and expense, shall be responsible for all these areas. Landscaping shall consist of ground cover, trees, potted plants, and fountains, pools, or other water features, if applicable. A permanent automatic water sprinkler system shall be provided in all landscaped areas as required for adequate coverage/maintenance.

D. Refuse

Refuse areas shall be provided in accordance with the requirements of the Land Use Approvals.

E. Signs

The following shall be the sole cost and expense of the Developer:

- 1. The Developer shall develop a sign program. The Project shall have a comprehensive graphics/logos and sign program that shall govern the entire Project; all signs shall conform as to location, size, shape, illumination system, cabinet and copy face colors, letter style, shall be complementary to the overall architectural theme, and comply with the high standards of Underwriter Laboratories. The sign program must be approved by the City.

F. Utilities

The following shall be the sole cost and expense of the Developer:

The Developer shall be responsible for utility installations for the Project and hookups to public utility lines. All utility service for the Project shall be installed underground or concealed within buildings and any mechanical, electrical, fire

sprinkler or plumbing equipment that may be at ground level shall be aesthetically screened except where not permitted by the Garden Grove Municipal Code.

EXHIBIT C

-7-

ATTACHMENT NO. 1

UPPER UPSCALE HOTEL STANDARDS

Upper Upscale Hotel Prototype Summary

Cast in place concrete or steel frame construction

Program room mix - to be determined after significant market analysis and research with specificity to the Anaheim Resort Areas market needs

Swimming pool with spa

Exterior sun deck

Hotel Workout area

Porte-cochere sized to accommodate multiple vehicles

Efficient layout with a cost effective FTE requirement

Linen chute

In house food and beverage operations

In and/or Out of House Laundry operations

Upper-Upscale Hotel Executive Club Lounge, if applicable

Elevators - 3 guest, 1 service; all traction with a gearless upgrade option

Public Area Features

Full designed Urban Bar & Eatery concept for the food and beverage outlets

Flexible private dining area

Outlet seating; Eatery - 82 / Bar - 37, exact seating based upon market demand

Wireless high speed internet access throughout all public and function space

Free standing front desk POD design

Movable partitions with a 54 STC rating

Separate function space arrival area

Meeting space minimum pursuant to scope of work, divisible into independent rooms, full serviced

Pre-function space as required including exterior pre-function area

Audio/Visual system

Full designed, FF&E specified, sourced and priced

Self-service sundry/business center area adjoining the front desk

Upper-Upscale Hotel's express checkout service

Guestroom Features

The Upper-Upscale Hotel Bed in accordance with Flag specified bed

Mixture of Large, three and four-fixture Baths

Upper-Upscale Hotel designed model room

Guestroom HVAC - 2-pipe specified with a 4-pipe option and digital wall thermostats

Two, two-line phone handsets and High Speed Internet Access

Large flat panel LCD television

Pay per view movie system

In room refreshment center

In room safe

Upper-Upscale Hotel Green Program

Electronic card key locks

Full designed, FF&E specified, sourced and priced

Upper-Upscale Hotel brand standard OS&E; specified, sourced and priced

EXHIBIT D

SCHEDULE OF PERFORMANCE – CONDENSED SCHEDULE

	PERFORMANCE ITEM	DATE
1.	City and Developer execute RHDA.	On or before April 15, 2013.
2.	City and Developer open Escrow.	Within thirty (30) days after Date of Agreement.
3.	City accepts conveyance of fee title to all Agency Property.	On or before September 1, 2013.*
4.	Developer completes its Site Investigation pursuant to Section 204.	On or before the Due Diligence Date.
5.	Developer notifies City of election of whether to include Third Party Property in Project and add to Site and, if applicable, provides City with evidence of acquisition of necessary interest in Third Party Property.	On or before January 1, 2014.
6.	Developer submits completed application for tentative Subdivision Map, Development Agreement, and other necessary or desired Land Use Approvals.	On or before January 1, 2014.
7.	City approves, conditionally approves or rejects tentative Subdivision Map, Development Agreement, and other necessary or desired discretionary Additional Land Use Approvals.	On or before May 1, 2014.
8.	City and Developer agree in writing which Hotels constitute Upper Upscale Hotel(s) and Additional Hotel(s), respectively.	On or before October 1, 2014.

* If the City has not acquired fee title to all of the Agency Property by such date, then each subsequent date set forth in this Schedule of Performance will be extended on a day-for-day basis for each day after September 1, 2013 through and including the date upon which City acquires fee title to all of the Agency Property.

	PERFORMANCE ITEM	DATE
9.	Developer submits and obtains City approval of the identity of the Hotel Operators, Franchisors, and Franchise Agreements and Developer executes the approved Franchise Agreements.	On or before October 1, 2014.
10.	Developer submits and obtains City approval of Construction Drawings.	On or before February 1, 2015.
11.	Developer obtains necessary commitments for issuance of building permits and other similar required non-discretionary Land Use Approvals.	On or before March 1, 2015.
12.	Developer provides evidence of financing.	On or before May 15, 2015.
13.	City completes demolition, Site clearance and remediation, if applicable, pursuant to Paragraph II.1. of the Scope of Development	On or before August 15, 2015.
14.	Developer and City Close Escrow and Developer commences grading.	On or before September 1, 2015. ¹
15.	Construction Commencement Date.	On or before September 1, 2015.
16.	Offsite Infrastructure Completed by City	Concurrently with completion of the Developer Improvements.
17.	Developer Completes Construction of the Developer Improvements	Within twenty six (26) months after Close of Escrow.

¹ Although the outside date for the Closing of September 1, 2015, may not be extended for the events described in Section 602, the Closing may be extended until March 1, 2016 provided that, as of September 1, 2015, the Franchise Agreement for the Upper Upscale Hotel is still operative and neither the Developer nor the Franchisor is in breach or default thereunder. The Closing may also be extended until September 1, 2016 if on March 1, 2016, the Franchise Agreement for the Upper Upscale Hotel is still operative and neither the Developer nor Franchisor is in breach or default thereunder.

EXHIBIT E

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is hereby made as of _____, 20____, by and between _____, a _____ ("____"), and _____, a _____ ("Assignee").

RECITALS

A. Assignor and the City of Garden Grove (the "City") have entered a Grove District Resort Hotel Development Agreement dated _____, 2013 (the "RHDA"). Pursuant to the RHDA, the City agreed to convey [or conveyed] to the Assignor a parcel of real property referred to in the RHDA as the "Site," and the Assignor agreed to construct [among other things] _____ thereon.

B. Assignor and Assignee desire to provide by this Assignment for Assignor to assign to Assignee all of its rights and obligations under the RHDA [with respect to the portion of the Site described on Exhibit "A" hereto] and for Assignee to accept such assignment and assume all rights and obligations thereunder [with respect to such portion of the Site].

C. Pursuant to Section 103 of the RHDA, City approval of a Transfer of Assignor's interest in the Agreement is required in connection with the construction of _____.

D. The parties also desire for City to consent to such assignment and assumption, and acknowledge that such assignment and assumption is permitted pursuant to Section 103 of the RHDA.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. **Assignment and Assumption.** Assignor hereby assigns to Assignee all of its right, title and interest in and to the RHDA [with respect to the portion of the Site described on Exhibit "A" hereto], and Assignee hereby accepts such assignment and assumes performance of all terms, covenants and conditions on the part of Assignor to be performed, occurring or arising under the RHDA [with respect to such portion of the Site], from and after the date hereof with respect to _____. From and after the date hereof, Assignor shall be released from and have no further obligations under the RHDA [with respect to such portion of the Site], excluding actual claims of Default which City made against Assignor in writing prior to the date hereof, the responsibility for which claims have not been assumed by Assignee.

2. **Successors and Assigns.** This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee, their respective successors and assigns and City as third party beneficiary hereof.

EXHIBIT E

-1-

3. **Governing Law.** This Assignment has been entered into, is to be performed entirely within, and shall be governed by and construed in accordance with the laws of the State of California.

4. **Further Assurances.** Each party hereto covenants and agrees to perform all acts and things, and to prepare, execute, and deliver such written agreements, documents, and instruments as may be reasonably necessary to carry out the terms and provisions of this Assignment.

NOW, THEREFORE, the parties hereto have executed this Assignment as of the date set forth above.

ASSIGNOR:

_____,
a _____

By: _____

Its: _____

By: _____

Its: _____

ASSIGNEE:

_____, a

By: _____

Its: _____

CONSENT OF CITY TO ASSIGNMENT

City hereby acknowledges and consents to the above assignment, and releases Assignor from any further liability under the RHDA, except in Assignor's capacity as a member of Assignee.

CITY OF GARDEN GROVE,
a municipal corporation

By: _____

ATTEST:

City Clerk

EXHIBIT E

-3-

EXHIBIT F
GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO
AND SEND TAX STATEMENTS TO:
City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103 and 27383.

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The CITY OF GARDEN GROVE, a municipal corporation (the "Grantor") hereby grants to LAND & DESIGN, INC., a California corporation (the "Grantee"), the real property described in Exhibit A attached hereto and incorporated herein (the "Property"), subject to existing easements, restrictions and covenants of record and further subject to the provisions of this Grant Deed set forth below.

1. Reservation of Mineral Rights. Grantor excepts and reserves from the conveyance herein described all interest of the Grantor in oil, gas, hydrocarbon substances and minerals of every kind and character lying more than five hundred (500) feet below the surface, together with the right to drill into, through, and to use and occupy all parts of the property lying more than five hundred (500) feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from said property or other lands, but without, however, any right to use either the surface of the Property or any portion thereof within five hundred (500) feet of the surface for any purpose or purposes whatsoever, or to use the property in such a manner as to create a disturbance to the use or enjoyment of the Property.

2. Conveyance in Accordance with Grove District Resort Hotel Development Agreement. The Grantor's grant of the Property to the Grantee is made in accordance with and subject to that certain Grove District Resort Hotel Development Agreement, dated _____, 2013, by and between Grantor and Grantee (the "Resort Hotel Development Agreement"), which is incorporated herein by reference. The Resort Hotel Development Agreement generally requires the Grantee to construct certain Hotels, Parking Structures, and a Retail/Restaurant/Entertainment Component (collectively, the "Developer Improvements") as more particularly described in the Resort Hotel Development Agreement and to operate and maintain such Developer Improvements in accordance with the requirements set forth therein for

EXHIBIT F

-1-

the Applicable Covenants Consideration Period. All capitalized terms not herein defined shall have the meanings defined in the Resort Hotel Development Agreement.

3. Permitted Uses. The Grantee covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof, that the Grantee shall develop, use, operate, and maintain the Property and the Development Improvements thereon in accordance with the Resort Hotel Development Agreement for the periods of time specified therein. The foregoing covenants shall run with the land.

4. Restrictions on Transfer. The Grantee further agrees as follows:

(A) For the period commencing upon the date of this Grant Deed and until expiration of the Applicable Covenants Consideration Period, no voluntary or involuntary successor in interest of the Grantee shall acquire any rights or powers under the Resort Hotel Development Agreement or this Grant Deed, nor shall the Grantee make any total or partial sale, transfer, conveyance, assignment, subdivision, financing, refinancing, lease, sublease, or license of the whole or any part of the Property without the prior written approval of the Grantor pursuant to Sections 103.1 and 103.3 of the Resort Hotel Development Agreement, except for a Permitted Transfer pursuant to Section 102 of the Resort Hotel Agreement. The Grantee further agrees that any right to transfer is subject to the provisions of this Grant Deed.

(B) Except with respect to Permitted Transfer pursuant to Section 103.2 of the Resort Hotel Agreement, prior to recordation of the final Release of Construction Covenants with respect to the Property, or applicable portion thereof, the Developer shall not place or suffer to be placed on the Property, or any portion thereof, any lien or encumbrance other than mortgages, deeds of trust, or other forms of conveyance required for the Construction Financing, unless approved in writing by the Grantor, in its sole and absolute discretion.

5. Grantor Right of Reentry.

(A) In accordance with Section 503 of the Resort Hotel Development Agreement, the Grantor has the right, at its election, to reenter and take possession of the Property, with all improvements thereon, and terminate and Revest in the Grantor the estate conveyed to the Grantee if after the Close of Escrow and prior to the issuance of the final Release of Construction Covenants with respect to the Property, or applicable portion thereof, the Grantee (or its successors in interest) shall:

(1) fail to start the construction of the Project as required by the Resort Hotel Development Agreement for a period of ninety (90) days after written notice thereof from the City; or

(2) abandon or substantially suspend construction of the Project required by the Resort Hotel Development Agreement for a period of ninety (90) days after written notice thereof from the Grantor; or

(3) contrary to the provisions of Sections 101 or 103 of the Resort Hotel Development Agreement, Transfer or suffer any involuntary Transfer in violation of the same,

EXHIBIT F

-2-

and such Transfer, if it is a Transfer requiring approval by the Grantor, is not rescinded within thirty (30) days of Notice thereof from the Grantor to the Grantee.

(B) Such right to reenter, terminate and Revest is subject to the quiet enjoyment, and, if applicable, the right to continue to complete construction by (i) Tenants or other occupants who have (a) executed leases or subleases and (b) incurred substantial expenses in connection with the design and/or construction of improvements required to be constructed by such Tenant under such lease or sublease and (ii) a Holder, in the case where the Developer is in Default and, *vis à vis* a Holder, shall be exercisable only if:

(1) Such Holder (or its Nominee) (a) shall have failed to cure any Default within the applicable cure periods granted to such Holder (or its Nominee), or (b) shall have given City written notice that it will not cure any such Default or condition or that it will otherwise not comply with the terms and conditions of this Agreement, and

(2) The Grantor, within ninety (90) days after the occurrence of any events described in subparagraph (1) immediately above, shall commence the exercise of its right of entry and shall pay to Holder (or its Nominee) in immediately available funds, the Loan Balance prior to Revesting.

In the event of a failure or refusal to cure a Default, as described in subparagraph (b)(1), above, Grantor's sole remedy *vis a vis* Holder shall be the exercise of the re-entry right and Revesting in accordance herewith.

The conditions to the commencement of the exercise of the Grantor's right to re-enter and Revest as described above shall be applicable whether the re-entry and Revesting occurs (a) prior to foreclosure (or deed in lieu of foreclosure) by the Holder (or its Nominee) under its mortgage or deed of trust; or (b) after Holder (or its Nominee) acquires title to the Property by foreclosure (or deed-in-lieu of foreclosure) under its mortgage or deed of trust.

(C) Upon the revesting in the Grantor of title to the Property, as provided in this section, the Grantor shall use its reasonable efforts to resell the Property as soon and in such manner as the Grantor shall find feasible and consistent with the Resort Hotel Development Agreement and the Scope of Development to a qualified and responsible party or parties (as determined by the Grantor) who will assume the obligation of constructing or completing the Developer Improvements, or such improvements in their stead as shall be satisfactory to the Grantor and in accordance with the Scope of Development. The Grantee acknowledges that there may be substantial delays experienced by the Grantor if the Grantor must remarket the same for operation of a conference hotel following the revesting of the same in the Grantor. Upon such resale of the Property, the net proceeds thereof shall be applied:

(i) First, to reimburse the Grantor all costs and expenses incurred by the Grantor, excluding in-house Grantor staff costs, but specifically, including, but not limited to, any expenditures by the Grantor in connection with the recapture, management and resale of the Property or part thereof (but less any income derived by the Grantor from the Property or part thereof in connection with such management); all taxes, assessments and water or sewer charges

EXHIBIT F

with respect to the Property or part thereof which the Grantee has not paid (or, in the event that the Property is exempt from taxation or assessment of such charges during the period of ownership thereof by the Grantor, an amount, if paid, equal to such taxes, assessments, or charges as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time or revesting of title thereto in the Grantor, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property, or part thereof; and any amounts otherwise owing the Grantor; and, in the event additional proceeds are thereafter available, then

(ii) Second, to reimburse the Grantee, its successor or transferee, up to the amount equal to the sum of (a) actual and direct third party costs incurred by the Grantee for the Developer Improvements existing on the Property at the time of the re-entry and possession, less (b) any gains or net income received by the Grantee from the Property, or the improvements thereon.

(iii) Any balance remaining after such reimbursements shall be retained by the Grantor as its property. The rights established in this section are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or in the Resort Hotel Development Agreement or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the Grantor will have conveyed the Property and provided other financial assistance to the Grantee for development of a high quality hotel project, particularly for development and operation of the Project, and not for speculation in undeveloped land.

6. Nondiscrimination.

(A) The Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Developer Improvements or the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project or the Property. The foregoing covenants shall run with the land.

(B) All deeds, leases or contracts with respect to the Project or the Property shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through

them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

(ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the

EXHIBIT F

Government Code shall apply to the immediately preceding paragraph."

(iii) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The Covenants against discrimination set forth in this Section 6 shall continue in effect in perpetuity.

7. Violations Do Not Impair Liens. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by this Grant Deed or the Resort Hotel Development Agreement; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

8. Grant Deed Binding on Successors and Assigns. All of the terms, covenants and conditions of this Grant Deed shall be binding upon the Grantee and the permitted successors and assigns of the Grantee. Whenever the term "Grantee" is used in this Grant Deed, such term shall include any other permitted successors and assigns as herein provided.

9. Covenants Run With Land. All covenants contained in this Grant Deed shall be covenants running with the land.

10. Covenants For Benefit of Grantor. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

11. Revisions to Grant Deed. Both Grantor, its successors and assigns, and Grantee and the successors and assigns of Grantee in and to all or any part of the fee title to the Property shall have the right with the mutual consent of the Grantor to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, easements or restrictions contained in this Grant Deed without the consent of any tenant, lessee, easement holder, licensee, mortgagee,

EXHIBIT F

-6-

trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property. However, Grantee and Grantor are obligated to give written notice to and obtain the consent of any first mortgagee prior to consent or agreement between the parties concerning such changes to this Grant Deed.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized, this ____ day of _____, 201__.

GRANTOR:
CITY OF GARDEN GROVE,
a municipal corporation

Dated: _____, 201__

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

The undersigned Grantee accepts title subject to the covenants hereinabove set forth.

GRANTEE:

LAND & DESIGN, INC., a California corporation

Dated: _____, 201__

By: _____
Its: _____

Dated: _____, 201__

By: _____
Its: _____

EXHIBIT F

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) ss.

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT G

RELEASE OF CONSTRUCTION COVENANTS

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____, California _____
Attention: _____

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

RELEASE OF CONSTRUCTION COVENANTS

This RELEASE OF CONSTRUCTION COVENANTS (the "Release") is made by the CITY OF GARDEN GROVE, a municipal corporation (the "City"), in favor of _____, a _____ (the "Developer"), as of the date set forth below.

RECITALS

A. The City and the Developer have entered into that certain Grove District Resort Hotel Development Agreement dated _____ (the "RHDA") concerning the redevelopment of certain real property situated in the City of Garden Grove, California as more fully described in Exhibit "A" attached hereto and made a part hereof.

B. As referenced in Section 310 of the RHDA, the City is required to furnish the Developer or its successors with a Release of Construction Covenants (as defined in Section 100 of the RHDA) upon completion of construction of the Developer Improvements (as defined in Section 100 of the RHDA) or a portion thereof, which Release is required to be in such form as to permit it to be recorded in the Recorder's office of Orange County. This Release is conclusive determination of satisfactory completion of the construction and development required by the RHDA of the Developer Improvements or such portion thereof as described in Exhibit "A" attached hereto and incorporated herein by reference.

C. The City has conclusively determined that such construction and development of that portion of the Developer Improvements described in Exhibit "A" has been satisfactorily completed.

NOW, THEREFORE, the City hereby certifies as follows:

1. Those Developer Improvements described in Exhibit "A" to be constructed by the Developer have been fully and satisfactorily completed in conformance with the RHDA and are free of any claims and/or liens by City. Any operating requirements and all use, maintenance, security or nondiscrimination covenants contained in the RHDA and other documents executed

EXHIBIT G

and recorded pursuant to the RHDA shall remain in effect and enforceable according to their terms.

2. Nothing contained in this instrument shall modify in any other way any other provisions of the RHDA.

IN WITNESS WHEREOF, the City has executed this Release this ____ day of _____, 20__.

CITY:

CITY OF GARDEN GROVE, a municipal corporation

Dated: _____

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

DEVELOPER

a _____

Dated: _____

By: _____
Its: _____

Dated: _____

By: _____
Its: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT H

RIGHT OF ENTRY AGREEMENT

This RIGHT OF ENTRY AGREEMENT (the "Agreement") is entered into _____, 20____, by and between LAND & DESIGN, INC., a California corporation ("GRANTEE") and the CITY OF GARDEN GROVE, a municipal corporation ("GRANTOR").

RECITALS

A. GRANTOR, as "City," and GRANTEE, as "Developer," entered into that certain Grove District Resort Hotel Development Agreement dated _____ (the "RHDA"), pursuant to which the GRANTOR agreed, subject to the fulfillment of the City's Conditions Precedent to convey the Site to the GRANTEE and GRANTEE agreed, subject to Developer's Conditions Precedent, to accept Conveyance of the Site and construct the Developer Improvements thereon. All capitalized terms not defined herein shall have the meaning set forth in the RHDA, unless the context dictates otherwise.

B. GRANTOR currently owns the City Property and is in the process of acquiring the Agency Property. If and to the extent the GRANTOR acquires the Agency Property or is granted the right of entry with respect to the Agency Property such Agency Property shall be deemed to be part of the City Property hereunder.

RIGHT OF ENTRY AGREEMENT

1. Grant of Right of Entry. The GRANTOR hereby grants the GRANTEE, its employees, consultants, contractors, subcontractors, agents, tenants, purchasers, and designees, permission to enter upon the City Property ("Right of Entry") for the purpose of performing or causing to be performed environmental, soils, and/or topographical tests and surveys ("Investigation") and for the purpose of clearing, demolishing and rough grading ("Grading").

2. Termination. This Agreement shall terminate upon the earlier to occur of (i) _____, 20____, (ii) the Closing or (iii) termination of the RHDA, unless otherwise extended by mutual agreement of the parties.

3. Assumption of Risk. GRANTEE enters the City Property and performs or causes to be performed the Investigation, at its own risk and subject to whatever hazards or conditions may exist on the City Property.

4. Condition of City Property Upon Termination of RHDA Prior to Conveyance. If the RHDA and this Agreement are terminated prior to Conveyance (a) in the case of Investigation, GRANTEE shall repair or replace any landscaping, structures, fences, driveways, or other improvements that are removed, damaged, or destroyed by GRANTEE's employees, contractors, subcontractors, agents and designees, and (b) in the case of Grading of the City Property, the GRANTEE shall provide a rough graded level site.

5. Indemnification and hold harmless. GRANTEE shall indemnify, defend and hold harmless the GRANTOR and the City of Garden Grove as Successor Agency to the Garden

EXHIBIT H

-1-

Grove Agency for Community Development, their officers, directors, employees, contractors, subcontractors, agents, and volunteers ("Indemnitees") from any and all claims, suits or actions of every name, kind and description, brought forth on account of injuries to or the death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by the GRANTEE or any person directly or indirectly employed by or acting as agent for GRANTEE in the performance of this Right of Entry, except that such indemnity shall not apply to the extent such matters are caused by the negligence or willful misconduct of the GRANTOR, its officers, agents, employees or volunteers.

It is understood that the duty of GRANTEE to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve GRANTEE from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

6. Insurance. During the term of this Agreement, GRANTEE and its contractors, subcontractors and agents shall fully comply with the terms of the law of the State of California concerning worker's compensation and shall provide insurance in accordance with the RHDA.

7. Recording. Neither GRANTOR nor GRANTEE shall record this Agreement.

8. Attorney's Fees. If any legal action or proceeding arising out of or relating to this Agreement is brought by either party to this Agreement, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

9. Notices. All notices required or permitted under the terms of this Agreement shall be in writing and sent to:

To Grantor: City of Garden Grove
 11222 Acacia Parkway
 Garden Grove, California 92840
 Attention: City Manager

with a copy to: Garden Grove City Attorney
 11222 Acacia Parkway
 Garden Grove, California 92840

To Grantee: Matthew Reid
 Land & Design, Inc.
 3755 Avocado Boulevard, #516
 La Mesa, California 91941

EXHIBIT H

-2-

with a copy to: David Rose
420 McKinley Street, Suite 111
Corona, California 92879

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
501 West Broadway, 15th Floor
San Diego, California 92101
Attention: Tom Crosbie

10. Time is of the Essence; Entire Agreement. Time is of the essence of the terms and provisions of this Agreement. This Agreement constitutes the entire agreement between GRANTEE and GRANTOR with respect to the matters contained herein, and no alteration, amendment or any part thereof shall be effective unless in writing signed by parties sought to be charged or bound thereby.

11. Assignment. This Agreement shall be assignable as security to GRANTEE's Holder for the purposes and with the limitations set forth herein.

APPROVED BY:

GRANTEE

LAND & DESIGN, INC.,
a California corporation

Dated: _____

By: _____

Its: _____

Dated: _____

By: _____

Its: _____

GRANTOR:

CITY OF GARDEN GROVE, a municipal
corporation

Dated: _____

By: _____

Its: _____

EXHIBIT H

-3-

EXHIBIT I

PREVAILING WAGE AND PUBLIC WORKS REQUIREMENTS

I. Developer's Requirements:

(1) Obtain the prevailing wage rate from the Director of Industrial Relations in accordance with Labor Code Sections 1771 and 1773.

(2) Specify the appropriate prevailing wage rates, in accordance with Labor Code Sections 1773.2 and 1777.5.

(A) The posting requirement is applicable for each job site.

EXCEPTION: If more than one worksite exists on any project, then the applicable rates may be posted at a single location which is readily available to all workers.

(B) If a wage rate for a craft, classification or type of worker is not published in the Director's general prevailing wage determinations, a request for a special determination should be made by the awarding body to Chief, Division of Labor Statistics and Research, P.O. Box 420603, San Francisco, CA 94142, at least 45 days prior to the project bid advertisement date.

(3) Notify the Division of Apprenticeship Standards, Department of Industrial Relations. See Labor Code Section 1773.3.

(4) Inform prime contractors, to the extent feasible, of relevant public work requirements:

NOTE: Requirement information may be disseminated at a pre-acceptance of bid conference or in a call for bids or at an award of bid conference.

The public works requirements are:

(A) the appropriate number of apprentices are on the job site, as set forth in Labor Code Section 1777.5.

(B) workers' compensation coverage, as set forth in Labor Code Sections 1860 and 1861.

(C) keep accurate records of the work performed on public works projects, as set forth in Labor Code Section 1812.

(D) inspection of payroll records pursuant to Labor Code Section 1776, and as set forth in Section 16400 (e) of Title 8 of the California Code of Regulations.

(E) and other requirements imposed by law.

(5) Withhold monies. See Labor Code Section 1727.

EXHIBIT I

-1-

(6) Ensure that public works projects are not split or separated into smaller work orders or projects for the purpose of evading the applicable provisions of Labor Code Section 1771.

(7) Deny the right to bid on public work contracts to contractors or subcontractors who have been debarred from bidding on public works contracts, as set forth in Labor Code Section 1777.7.

(8) Not permit workers on public works to work more than eight hours a day or 40 hours in any one calendar week, unless compensated at not less than time and a half as set forth in Labor Code Section 1815.

EXCEPTION: If the prevailing wage determination requires a higher rate of pay for overtime work than is required under Labor Code Section 1815, then that higher overtime rate must be paid, as specified in subsection 16200(a)(3)(F) of Title 8 of the California Code of Regulations.

(9) Not take or receive any portion of the workers' wages or accept a fee in connection with a public works project, as set forth in Labor Code Sections 1778 and 1779.

(10) Comply with those requirements as specified in Labor Code Sections 1776(g), 1777.5, 1810, 1813, and 1860.

II. Contractor and Subcontractor Requirements.

The contractor and subcontractors shall:

(1) Pay not less than the prevailing wage to all workers, as defined in Section 16000 of Title 8 of the California Code of Regulations, and as set forth in Labor Code Sections 1771 and 1774;

(2) Comply with the provisions of Labor Code Sections 1773.5, 1775, and 1777.5 regarding public works jobsites;

(3) Provide workers' compensation coverage as set forth in Labor Code Section 1861;

(4) Comply with Labor Code Sections 1778 and 1779 regarding receiving a portion of wages or acceptance of a fee;

(5) Maintain and make available for inspection payroll records, as set forth in Labor Code Section 1776;

(6) Pay workers overtime pay, as set forth in Labor Code Section 1815 or as provided in the collective bargaining agreement adopted by the Director of Industrial Relations as set forth in Section 16200 (a) (3) of Title 8 of the California Code of Regulations;

(7) Comply with Section 16101 of Title 8 of the California Code of Regulations regarding discrimination;

EXHIBIT I

-2-

(8) Be subject to provisions of Labor Code Section 1777.7 which specifies the penalties imposed on a contractor who willfully fails to comply with provisions of Section 1777.5;

(9) Comply with those requirements as specified in Labor Code Sections 1810 and 1813; and

(10) Comply with other requirements imposed by law.

EXHIBIT J
CONCEPTUAL SITE PLAN

PROJECT SUMMARY

PROJECT SITE: 5.2 Acres

KUBELIN
 TOTAL HOTEL ROOMS: 715 KEYS
 - One (1) "4.5 Star"
 - Two (2) "3.5 Star"

MARLUM BUILDING FOOTPRINT:
 - 74,800 sq. ft. (100,000 sq. ft. total)
 - Includes 100,000 sq. ft. total
 - Includes 100,000 sq. ft. total
 - Includes 100,000 sq. ft. total
 - Includes 100,000 sq. ft. total
 - Includes 100,000 sq. ft. total

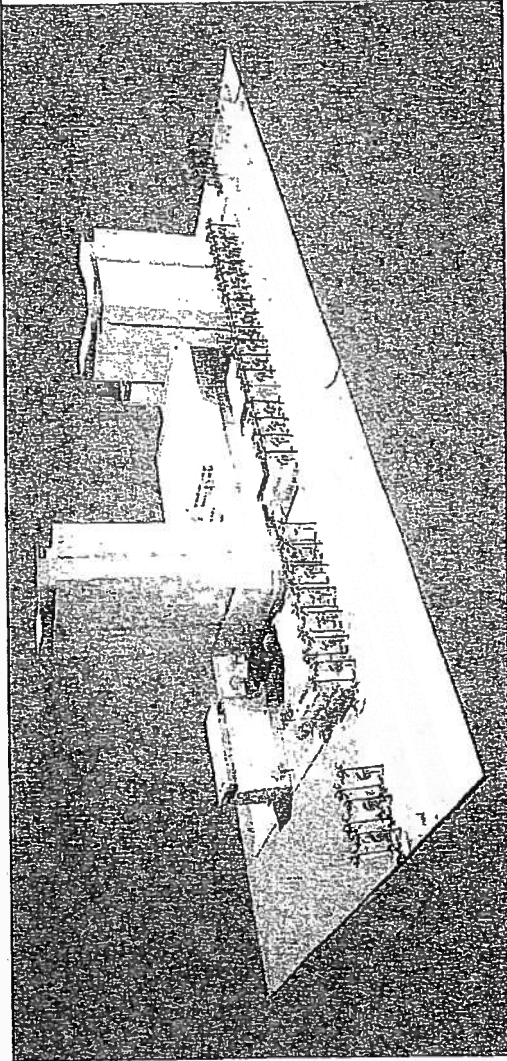
RESTAURANT/RETAIL BUILDING: 45,000 sq. ft.
 - One (1) "4.5 Star"
 - One (1) "3.5 Star"

HOTEL RESTAURANT: 30,000 sq. ft.
 - One (1) "4.5 Star"
 - One (1) "3.5 Star"

CONSERVATIVE: 10,000 sq. ft. (100,000 sq. ft. total)
 - Includes 100,000 sq. ft. total
 - Includes 100,000 sq. ft. total
 - Includes 100,000 sq. ft. total

PARKING SPACES PROVIDED: 1,117

ACREAGE
 TOTAL SITE AREA:
 5.2 ACRES (225,000 sq. ft.)
 TOTAL COVERED AREA:
 154,800 sq. ft. (68.8 acres)
 TOTAL UNCOVERED AREA:
 70,000 sq. ft. (31.2 acres)
 TOTAL CIRCULATION + PARKING AREA:
 11,200 sq. ft. (0.26 acres)



CITY OF GARDEN GROVE	
PARCEL C - COVER SHEET	
PROJECT	1
DATE	07
FINAL DRAFT	
APPROVED	PROJECT: 0711-2018
DATE	11

REVISIONS	
NO.	DESCRIPTION

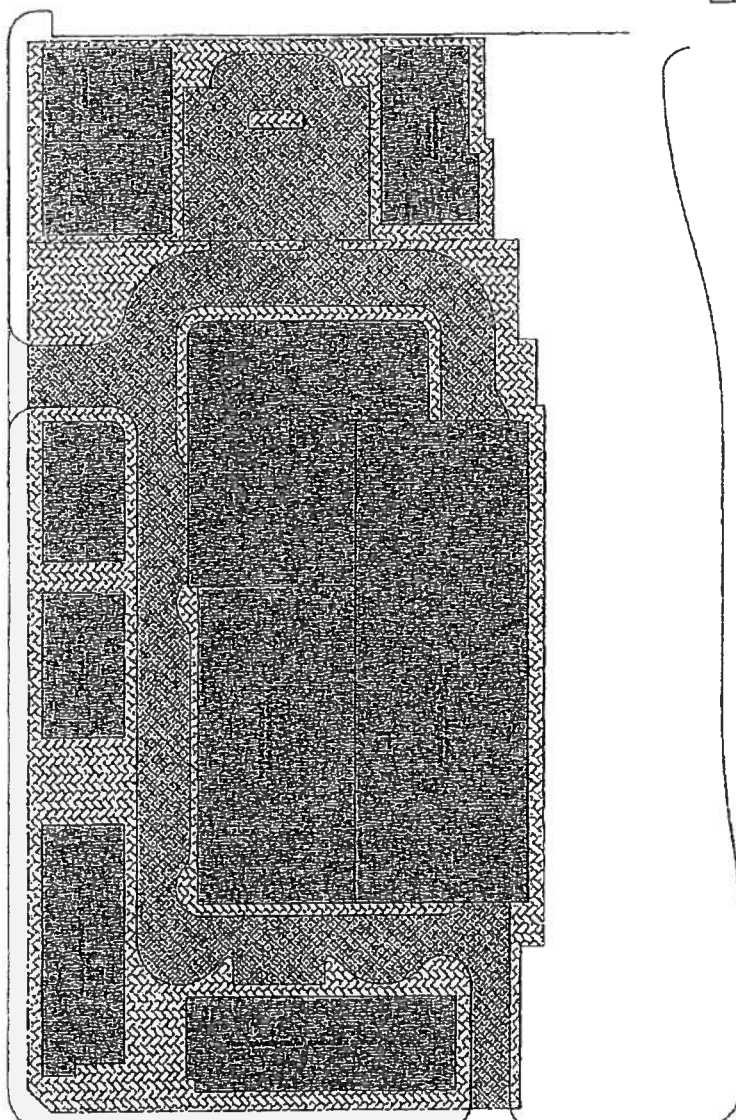
CIVIL ENGINEER:
 FOOLS ENGINEERING, INC.
 1000 N. GARDEN GROVE BLVD.
 SUITE 100
 GARDEN GROVE, CA 92640
 (714) 261-1111

PROJECT PLANNER:
 ARCADIA
 1000 N. GARDEN GROVE BLVD.
 SUITE 100
 GARDEN GROVE, CA 92640
 (714) 261-1111

OWNER:
 GARDEN GROVE AGENCY FOR
 ECONOMIC DEVELOPMENT
 1000 N. GARDEN GROVE BLVD.
 SUITE 100
 GARDEN GROVE, CA 92640
 (714) 261-1111

HARBOR BOULEVARD

TWINTREE AVE.



WITH THE CITY
 HEALTH DEPARTMENT
 HEALTH OFFICER'S OFFICE
 1000 10TH AVENUE
 SEASIDE, CALIFORNIA 92082

WITH THE COUNTY OF SAN DIEGO
 HEALTH DEPARTMENT
 HEALTH OFFICER'S OFFICE
 1600 G STREET
 SAN DIEGO, CALIFORNIA 92101

WITH THE CITY OF SAN DIEGO
 HEALTH DEPARTMENT
 HEALTH OFFICER'S OFFICE
 1600 G STREET
 SAN DIEGO, CALIFORNIA 92101

CITY OF GARDEN GROVE

BUILDING/LANDSCAPE/CIRCULATION
& PARKING AREAS

FINAL DRAFT

DATE: 08/14/19

APPROVED: _____

SHEET 2 OF 11

REVISIONS

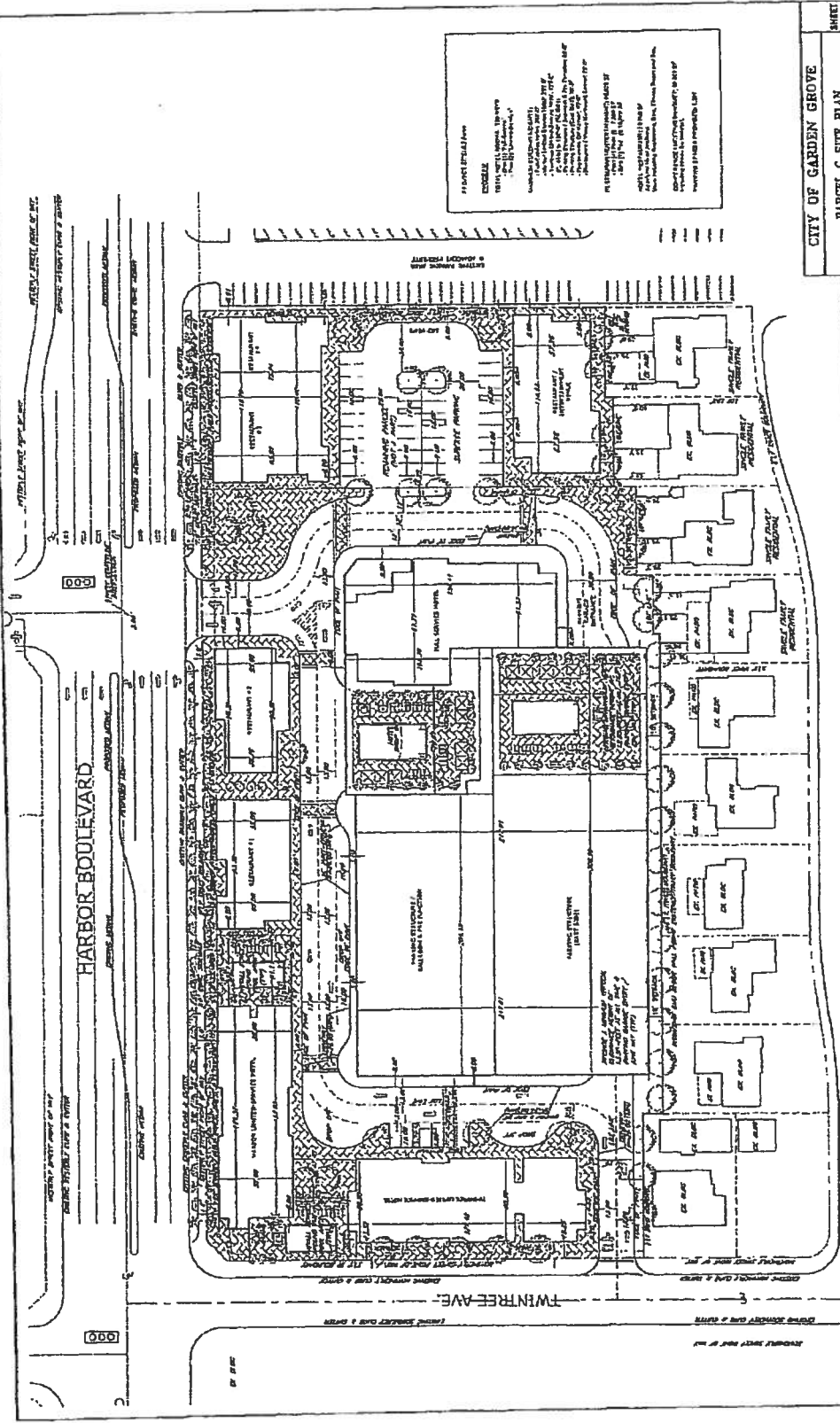
NO.	DATE	DESCRIPTION

CIVIL ENGINEER
 FOCUS ENGINEERING, INC.
 1000 10TH AVENUE
 SEASIDE, CALIFORNIA 92082
 TEL: (949) 441-1111
 FAX: (949) 441-1111
 E-MAIL: info@focuseng.com

PROJECT PLANNER
 JACOB
 1000 10TH AVENUE
 SEASIDE, CALIFORNIA 92082
 TEL: (949) 441-1111
 FAX: (949) 441-1111
 E-MAIL: info@focuseng.com

GARDEN GROVE AGENCY FOR
 COMMUNITY DEVELOPMENT
 1000 10TH AVENUE
 SEASIDE, CALIFORNIA 92082
 TEL: (949) 441-1111
 FAX: (949) 441-1111
 E-MAIL: info@focuseng.com

SCALE: 1"=10'
 ROAD: 1"=20'
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NOTES:

1. ALL DIMENSIONS ARE IN FEET AND INCHES.
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CITY OF GARDEN GROVE
PARCEL C SITE PLAN
FINAL DRAFT

DATE: 08/15/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

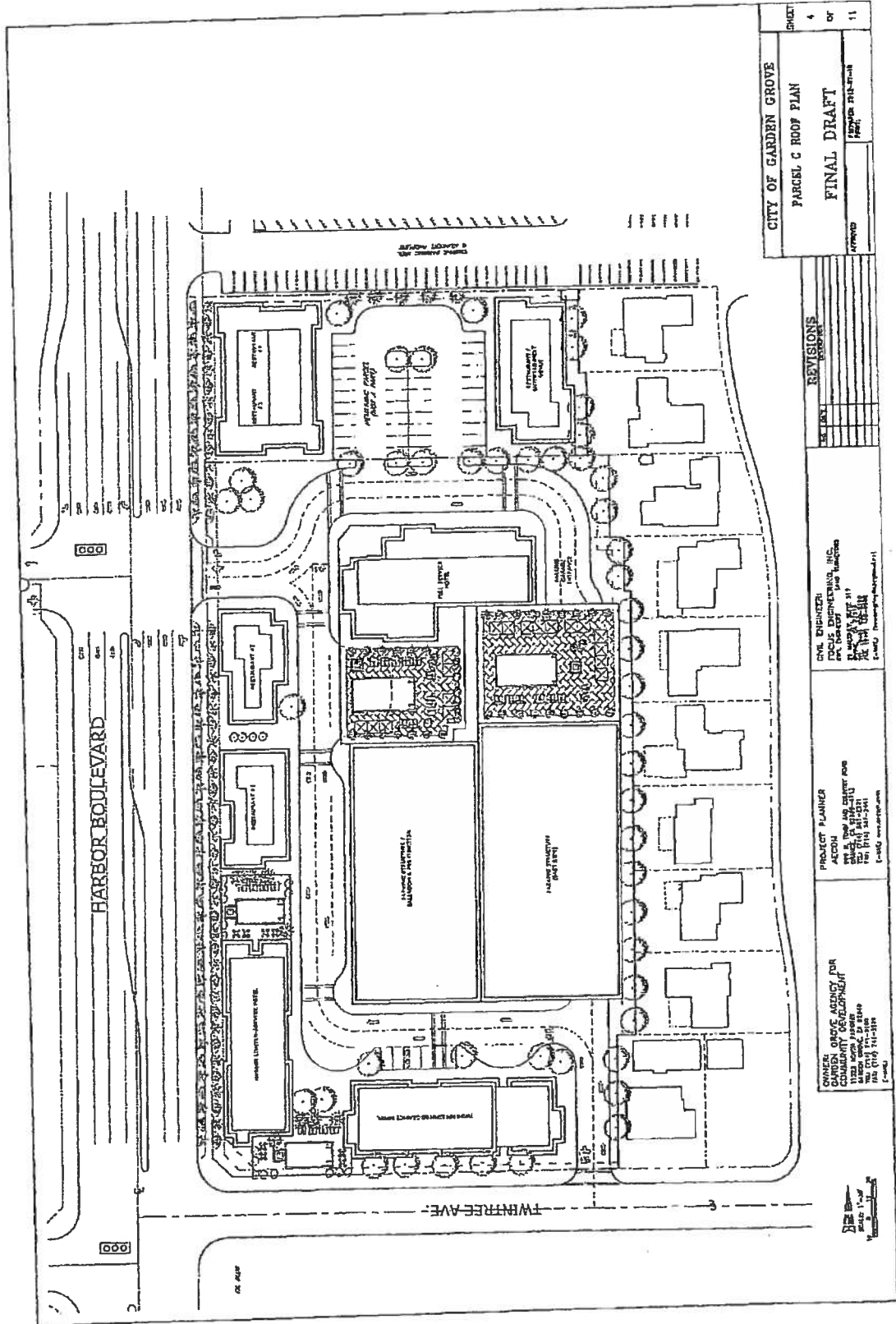
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2	08/15/18	ISSUED FOR PERMIT
3	08/15/18	ISSUED FOR PERMIT
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5	08/15/18	ISSUED FOR PERMIT
6	08/15/18	ISSUED FOR PERMIT
7	08/15/18	ISSUED FOR PERMIT
8	08/15/18	ISSUED FOR PERMIT
9	08/15/18	ISSUED FOR PERMIT
10	08/15/18	ISSUED FOR PERMIT
11	08/15/18	ISSUED FOR PERMIT

CIVIL ENGINEER:
 [Name]
 [Title]
 [Address]
 [Phone]
 [Email]

PROJECT PLANNER:
 [Name]
 [Title]
 [Address]
 [Phone]
 [Email]

DIVISION:
 [Name]
 [Title]
 [Address]
 [Phone]
 [Email]

DATE: 08/15/18
DRAWN BY: [Name]
CHECKED BY: [Name]



CITY OF GARDEN GROVE
 PARCEL C ROOF PLAN
 FINAL DRAFT
 SHEET 4 OF 11

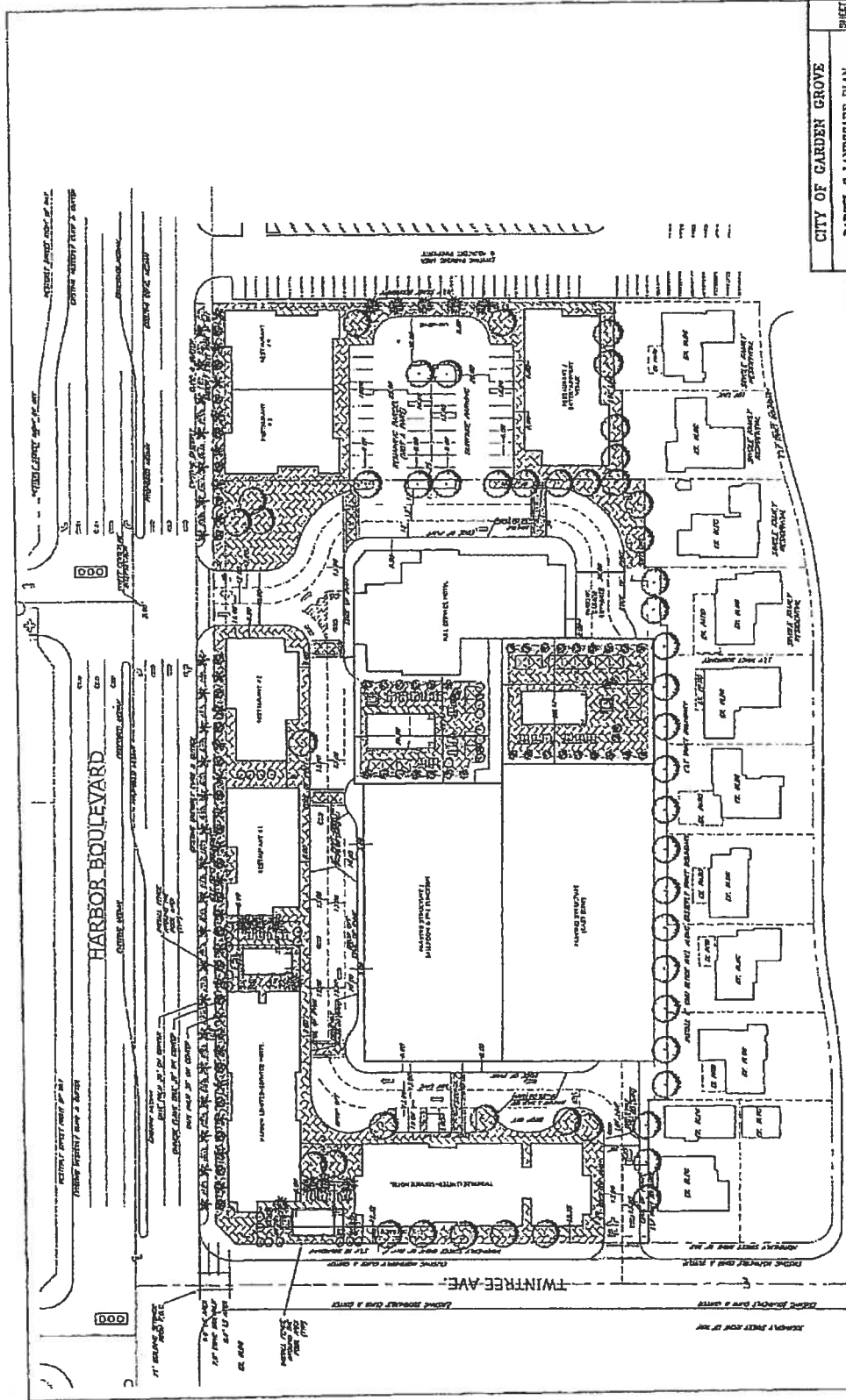
NO.	REVISIONS

CIVIL ENGINEER
 FOCUS ENGINEERING, INC.
 15000 W. 11th St., Suite 100
 Gardena, CA 90247
 (310) 322-1000
 www.focus-engineering.com

PROJECT PLANNER
 ACCION
 15000 W. 11th St., Suite 100
 Gardena, CA 90247
 (310) 322-1000
 www.accion.com

CIVIL ENGINEER
 GARDEN GROVE AGENCY FOR
 COMMUNITY DEVELOPMENT
 15000 W. 11th St., Suite 100
 Gardena, CA 90247
 (310) 322-1000
 www.gga.com





CITY OF GARDEN GROVE
 PARCEL C LANDSCAPE PLAN
 SHEET 5 OF 11
 FINAL DRAFT
 APPROVED: [Signature] DATE: 08-14-18

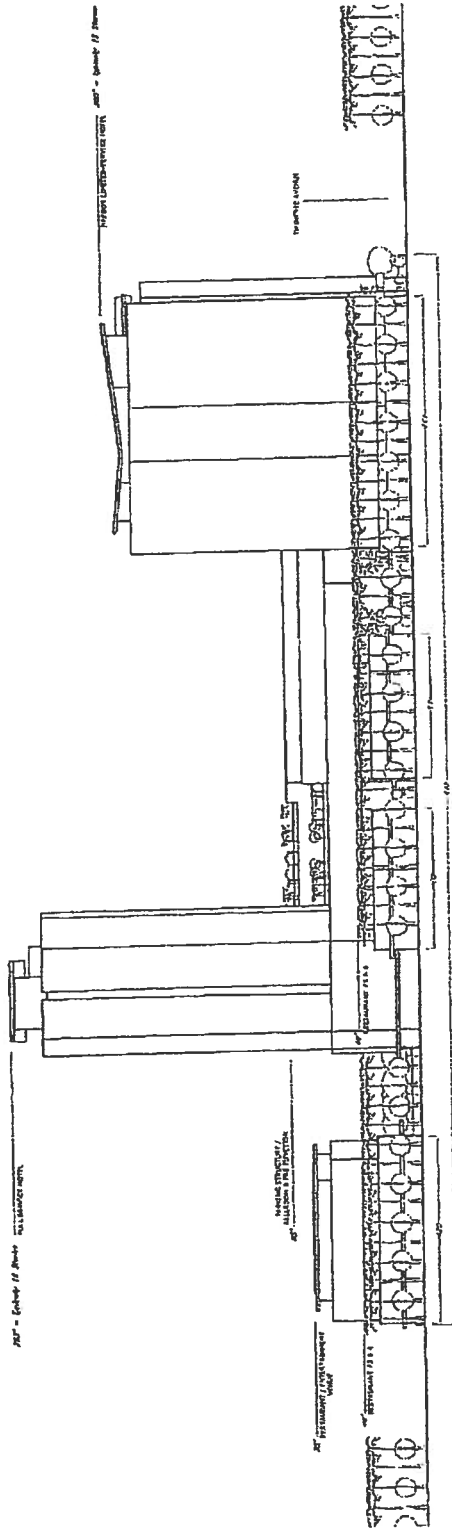
NO.	DATE	REVISIONS

CIVIL ENGINEER
 JACOBSON ENGINEERING INC.
 1000 N. 11th St.
 Garden Grove, CA 92647
 Tel: (714) 261-1111
 Fax: (714) 261-1112
 E-Mail: jacobson@jacobson-inc.com

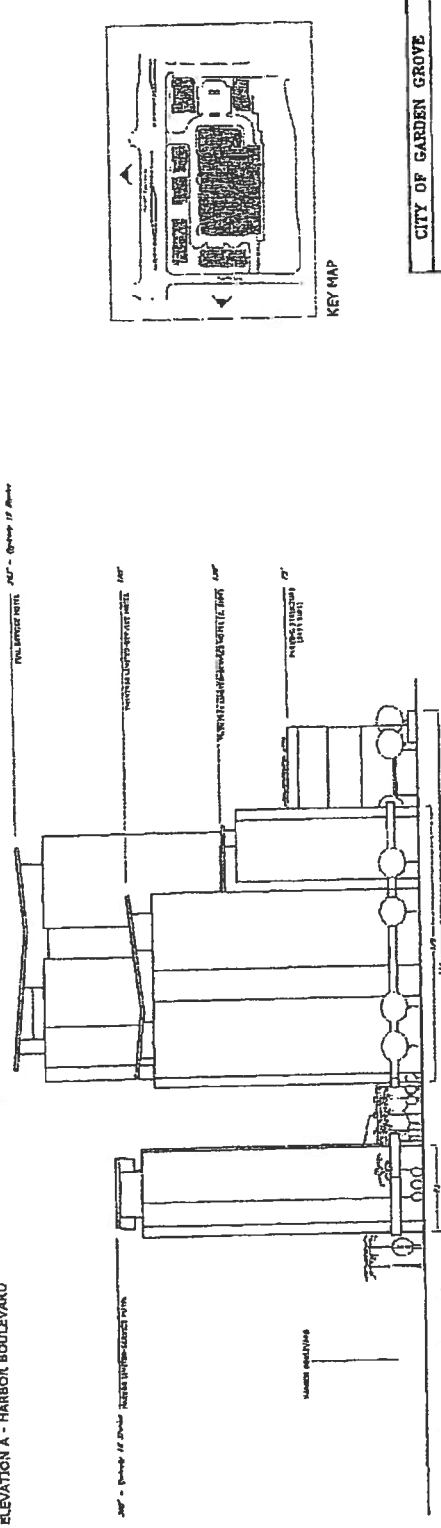
PROJECT PLANNER
 JACOBSON ENGINEERING INC.
 1000 N. 11th St.
 Garden Grove, CA 92647
 Tel: (714) 261-1111
 Fax: (714) 261-1112
 E-Mail: jacobson@jacobson-inc.com

OWNER: GARDEN GROVE ASSOCIATES FOR
 COMMUNITY DEVELOPMENT
 11555 S. 11th St.
 Garden Grove, CA 92647
 Tel: (714) 261-1111
 Fax: (714) 261-1112
 E-Mail: jacobson@jacobson-inc.com

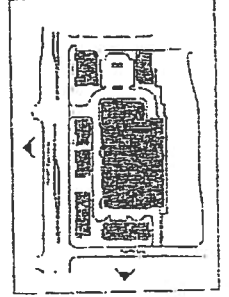
DATE: 08-14-18
 SCALE: AS SHOWN
 DRAWN BY: [Name]
 CHECKED BY: [Name]



ELEVATION A - HARBOR BOULEVARD



ELEVATION B - TWINTREE AVENUE



CITY OF GARDEN GROVE
PARCEL C STREET ELEVATIONS
FINAL DRAFT
DATE: 08/14/18
SCALE: AS SHOWN

NO.	DATE	DESCRIPTION
1	08/14/18	ISSUED FOR PERMITS
2	08/14/18	ISSUED FOR PERMITS
3	08/14/18	ISSUED FOR PERMITS
4	08/14/18	ISSUED FOR PERMITS
5	08/14/18	ISSUED FOR PERMITS
6	08/14/18	ISSUED FOR PERMITS
7	08/14/18	ISSUED FOR PERMITS
8	08/14/18	ISSUED FOR PERMITS
9	08/14/18	ISSUED FOR PERMITS
10	08/14/18	ISSUED FOR PERMITS
11	08/14/18	ISSUED FOR PERMITS

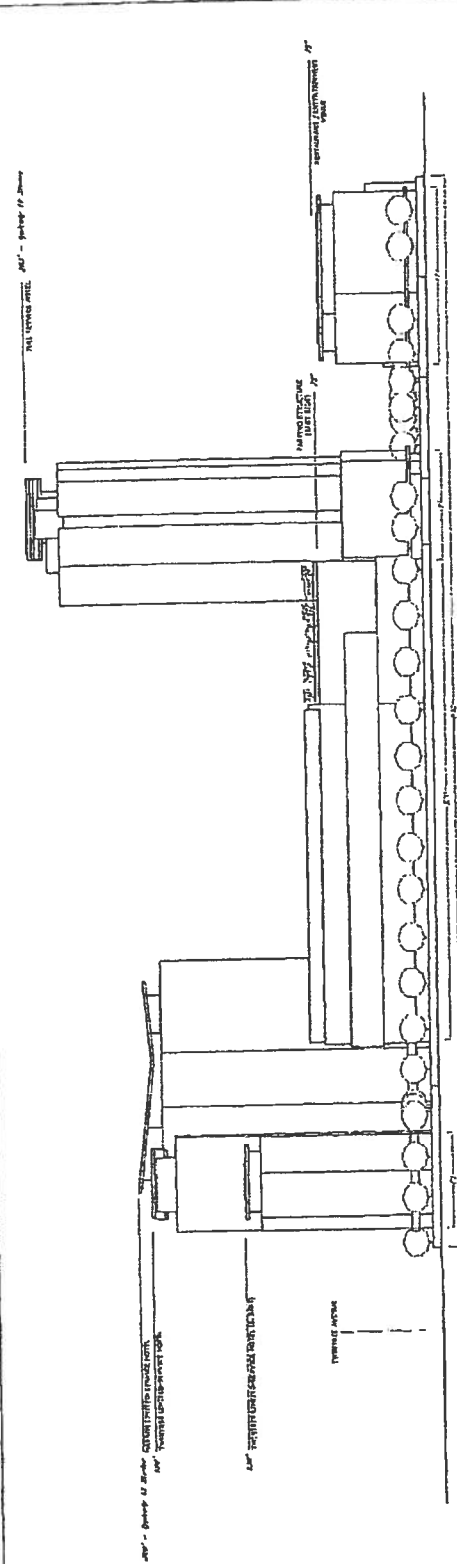
OWNER: **TRINITY COMMUNITY DEVELOPMENT**
15200 FORD AVENUE
GARDEN GROVE, CA 92645
TEL: 714 941-1100
FAX: 714 941-1101
WWW.TRINITYCOMMUNITYDEVELOPMENT.COM

PROJECT PLANNER:
AECOM
10000 EAST AVENUE, SUITE 200
DENVER, CO 80231
TEL: 303 733-1000
WWW.AECOM.COM

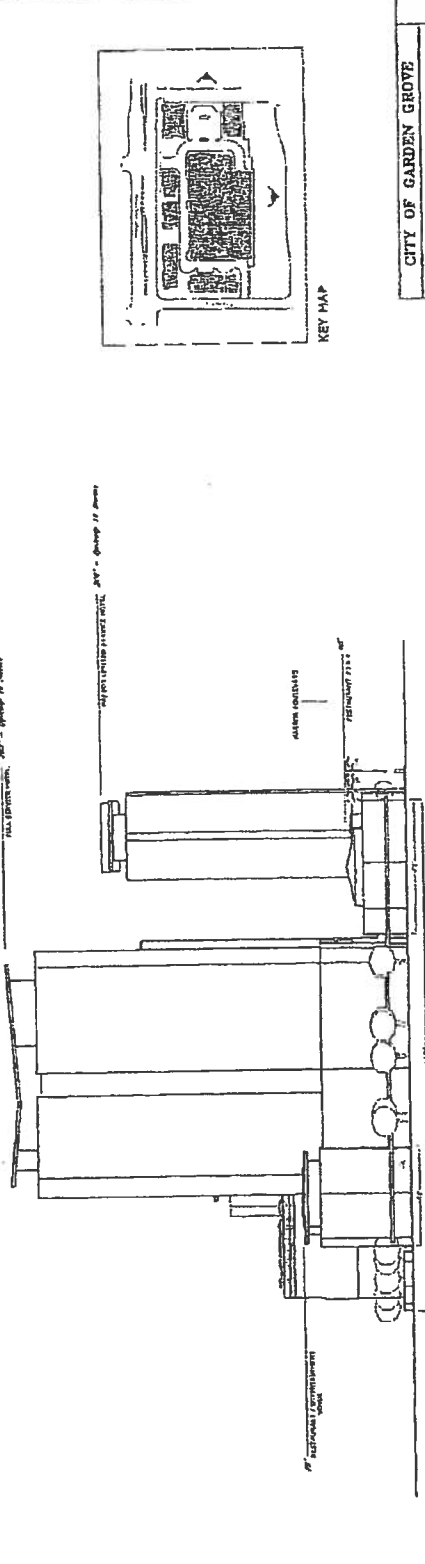
ARCHITECT:
TRINITY COMMUNITY DEVELOPMENT
15200 FORD AVENUE
GARDEN GROVE, CA 92645
TEL: 714 941-1100
FAX: 714 941-1101
WWW.TRINITYCOMMUNITYDEVELOPMENT.COM

DATE: 08/14/18
SCALE: AS SHOWN

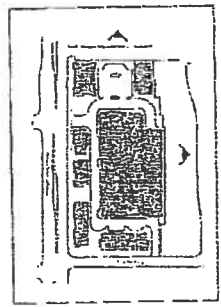
11



ELEVATION C - EAST



ELEVATION D - NORTH



KEY MAP

CITY OF GARDEN GROVE		SHEET
PARCEL C STREET ELEVATIONS		7
FINAL DRAFT		OF
PROJECT NO. 111-1111		11

NO.	DATE	REVISIONS

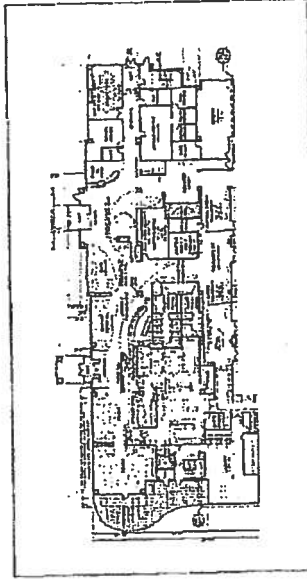
CIVIL ENGINEER:
 ECHOLS ENGINEERING, INC.
 2200 S. GARDEN GROVE BLVD.
 GARDEN GROVE, CA 92647
 TEL: (714) 941-1111
 FAX: (714) 941-1112

PROJECT PLANNER:
 AECOM
 1000 CALIFORNIA STREET, SUITE 1000
 SAN FRANCISCO, CA 94109
 TEL: (415) 435-1000
 FAX: (415) 435-1001

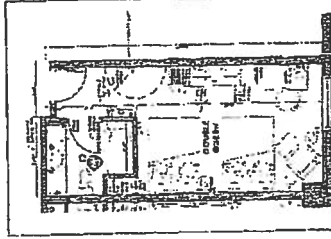
OWNER: GENE AGENCY FOR
 COMMUNITY DEVELOPMENT
 1111 CALIFORNIA STREET, SUITE 1000
 SAN FRANCISCO, CA 94109
 TEL: (415) 435-1000
 FAX: (415) 435-1001

SCALE: 1/8" = 1'-0"
 DATE: 11/11/11

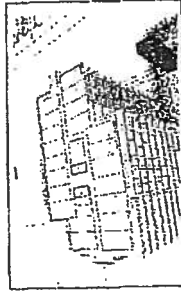
FULL SERVICE HOTEL



GROUND FLOOR PLAN (NOT TO SCALE)

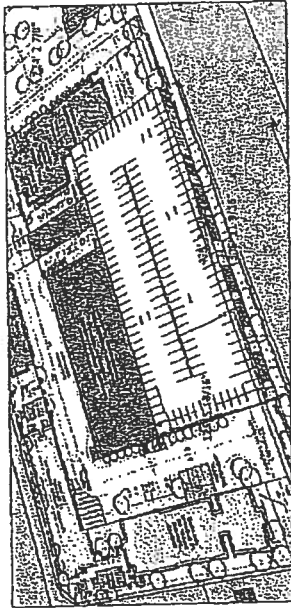


TYPICAL DOUBLE QUEEN GUEST ROOM
SCALE 1/4"

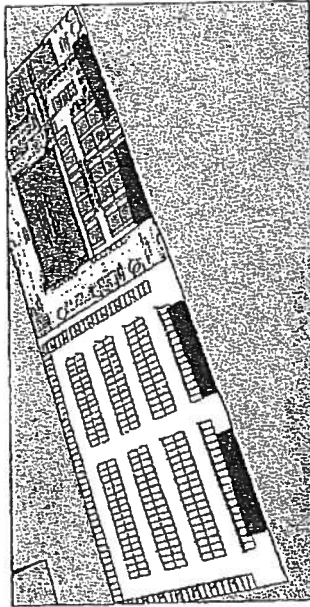


TYPICAL FLOOR PLAN
NOTED: TYPICAL FLOOR PLANS ARE FOR REFERENCE ONLY. SOURCE: G.A. HILSON/PTC

PARKING



TYPICAL PARKING STRUCTURE (USE 370 SF/STALL)



TYPICAL BELOW LEVEL PARKING (USE 400 SF/STALL)

*SEE ALL MATING SPACE PANELS FOR DIMENSIONS AND DIMENSIONS. SEE ALSO "ARCHITECTURAL STANDARDS" FOR DIMENSIONS AND DIMENSIONS.

CITY OF GARDEN GROVE	SHEET	11
	OF	11
TYPICAL FLOOR PLANS		
FINAL DRAFT		
DATE	1/11/11	
PROJECT	111111	

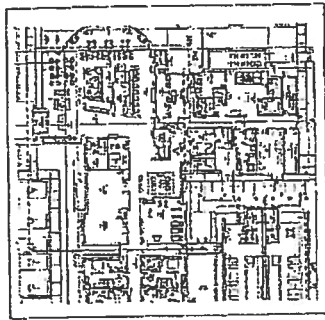
NO.	DESCRIPTION	DATE

CIVIL ENGINEER
 PROFESSIONAL ENGINEER
 LICENSE NO. 11111
 DATE 1/11/11
 PROJECT NO. 111111

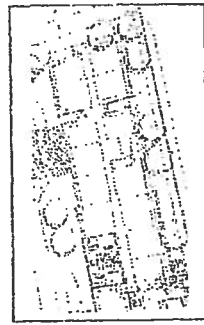
PROJECT PLANNER
 AECOM
 11111 GARDEN GROVE BLVD
 GARDEN GROVE, CA 92647
 TEL: (714) 941-1111
 FAX: (714) 941-1111

OWNER: GARDEN GROVE AGENCY FOR
 COMMUNITY DEVELOPMENT
 11111 GARDEN GROVE BLVD
 GARDEN GROVE, CA 92647
 TEL: (714) 941-1111
 FAX: (714) 941-1111

LIMITED SERVICE HOTEL (TWINTREE)



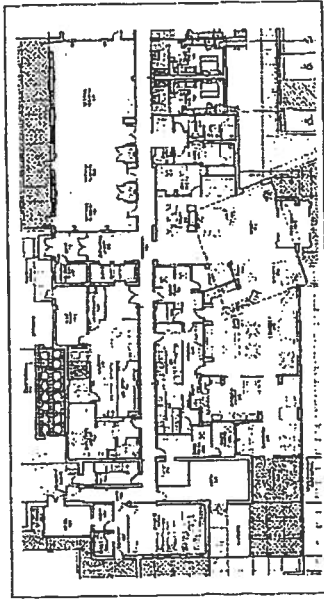
GROUND FLOOR PLAN (NOT TO SCALE)



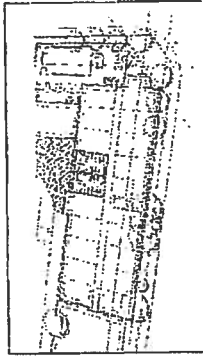
TYPICAL FLOOR PLAN
 *HOTEL TYPICAL FLOOR PLANS ARE FOR REFERENCE ONLY.
 SOURCE: D.H. ARCHITECTS

TYPICAL ROOM
 SCALE 1/4" = 1'-0"

LIMITED SERVICE HOTEL (HARBOR)

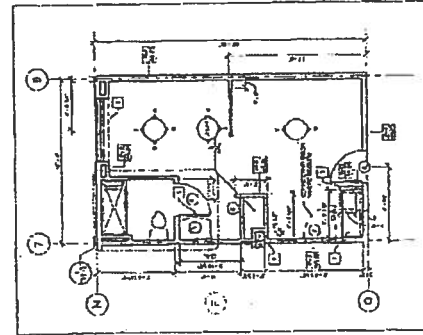


GROUND FLOOR PLAN (NOT TO SCALE)



TYPICAL FLOOR PLAN
 *HOTEL TYPICAL FLOOR PLANS ARE FOR REFERENCE ONLY.
 SOURCE: D.H. ARCHITECTS

TYPICAL KING SIZE
 GUEST ROOM
 SCALE 1/4" = 1'-0"



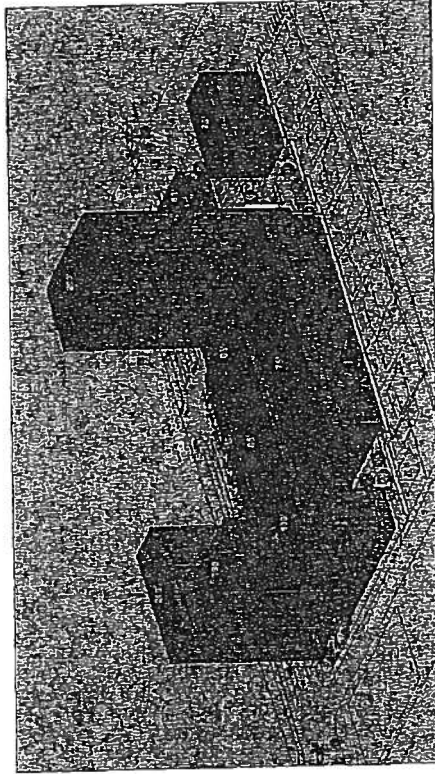
PROJECT PLANNER
 ARCON
 211 N. 1ST AND SHERBOURNE
 DENVER, CO 80202
 TEL: (303) 733-1111
 FAX: (303) 733-1111
 E-MAIL: arcon@arcon.com

PROJECT PLANNER
 ARCON
 211 N. 1ST AND SHERBOURNE
 DENVER, CO 80202
 TEL: (303) 733-1111
 FAX: (303) 733-1111
 E-MAIL: arcon@arcon.com

CREATED BY
 POOLIS ENGINEERING, INC.
 1000 17TH ST. N.W.
 WASHINGTON, DC 20036
 TEL: (202) 833-1111
 FAX: (202) 833-1111
 E-MAIL: poolis@poolis.com

REVISIONS
 NO. DATE DESCRIPTION

CITY OF GARDEN GROVE	
TYPICAL FLOOR PLANS	SHEET
FINAL DRAFT	9
APPROVED	OF
PROJECT: 8712-01-10	11



VIEW FROM TWINTREE AVENUE



VIEW FROM HARBOR BOULEVARD

Notes:
 1. All dimensions are in feet.
 2. All elevations are in feet above sea level.
 3. All elevations are in feet above sea level.
 4. All elevations are in feet above sea level.
 5. All elevations are in feet above sea level.
 6. All elevations are in feet above sea level.
 7. All elevations are in feet above sea level.
 8. All elevations are in feet above sea level.
 9. All elevations are in feet above sea level.
 10. All elevations are in feet above sea level.

CITY OF GARDEN GROVE		SHEET	10
3D MASSING WITH MAXIMUM		OF	11
BUILDING ENVELOP			
FINAL DRAFT			
DATE: 11/15/18			
DRAWN BY: [Name]			
CHECKED BY: [Name]			

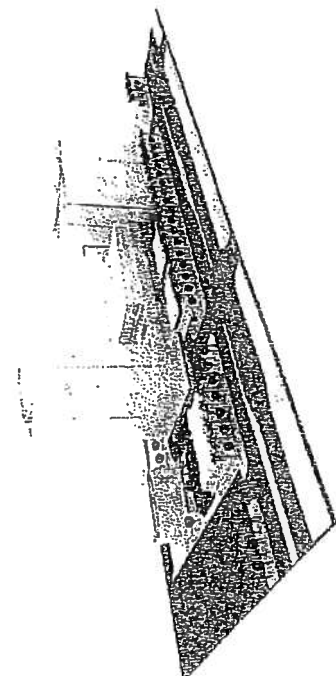
REVISIONS

NO.	DATE	DESCRIPTION

CHA. DICKHEAD
 FOCUS ENGINEERING, INC.
 11111 W. 111th St.
 Suite 100
 Overland Park, KS 66213
 Phone: 913.241.1111
 Fax: 913.241.1111

PROJECT PLANNER
 ALEXON
 11111 W. 111th St.
 Suite 100
 Overland Park, KS 66213
 Phone: 913.241.1111
 Fax: 913.241.1111

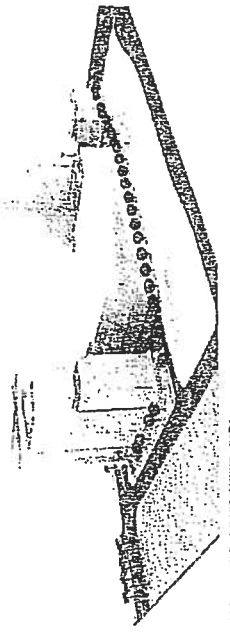
OWNERS: GARDEN GROVE ASSOCIATES, FOR
 GARDEN GROVE DEVELOPMENT
 11111 W. 111th St.
 Suite 100
 Overland Park, KS 66213
 Phone: 913.241.1111
 Fax: 913.241.1111



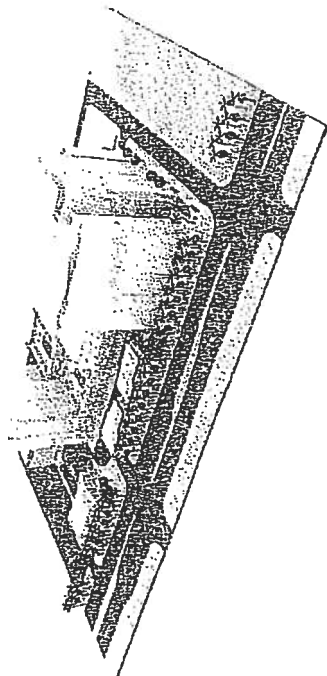
3) VIEW FROM HARBOR BOULEVARD - NORTH



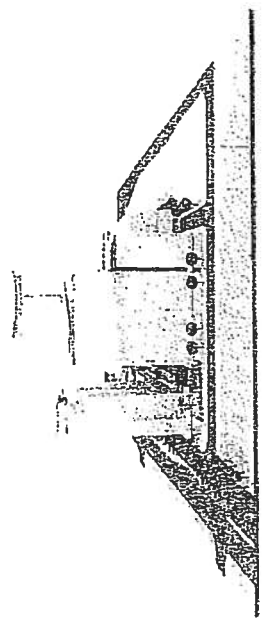
3) VIEW FROM HARBOR BOULEVARD - CENTER



4) VIEW FROM TWENTIETH AVENUE - BACK



3) VIEW FROM HARBOR BOULEVARD - SOUTH



5) VIEW FROM TWENTIETH AVENUE



OWNER:
CITY OF GARDEN GROVE
11331 ALBA AVENUE
GARDEN GROVE, CA 92641
TEL: 714 771-1133
FAX: 714 771-1135

PROJECT PLANNER:
AECOM
11111 WILSON BOULEVARD
SUITE 200
IRVINE, CA 92618
TEL: 714 952-2141
FAX: 714 952-2141
WWW.AECOM.COM

CIVIL ENGINEER:
POLY ENGINEERING, INC.
11111 WILSON BOULEVARD
SUITE 200
IRVINE, CA 92618
TEL: 714 952-2141
FAX: 714 952-2141
WWW.POLYENGINEERING.COM

NO.	DESCRIPTION

CITY OF GARDEN GROVE	
3D MASSING MODEL	SHEET 11
FINAL DRAFT	OF 11
DATE: 01-11-19	NO. 11

EXHIBIT K

MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO
AND SEND TAX STATEMENTS TO:

City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** (the "Agreement") is entered into as of _____, 201__ by and between the **CITY OF GARDEN GROVE**, a municipal corporation (the "City"), and **LAND & DESIGN, INC.**, a California corporation (hereinafter referred to as "Developer").

RECITALS

1. Recordation of Memorandum of Agreement. This Memorandum of Agreement evidences that certain Grove District Resort Hotel Development Agreement between the City and the Developer dated _____ ("RHDA"). Capitalized terms not defined herein shall have the meaning set forth in the RHDA. When recorded at the Closing the RHDA is a burden against Developer's fee simple interest in the Site which Site is more particularly described in Attachment No. 1 attached hereto and incorporated herein by reference. The RHDA provides, among other things, and subject to the fulfillment of certain Conditions Precedent, for a conveyance of the Site to the Developer and for the development and operation by Developer thereon of Hotels, a Retail/Restaurant/Entertainment Component, and Parking Structures. The Covenants shall run with the land and be binding upon the heirs, successors and assigns of Developer.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXHIBIT K

-1-

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement as of the ____ day of _____, 201__.

CITY:

CITY OF GARDEN GROVE, a municipal corporation

Dated: _____, 201__

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

DEVELOPER

LAND & DESIGN, INC., a California corporation

Dated: _____, 201__

By: _____
Its: _____

Dated: _____, 201__

By: _____
Its: _____

EXHIBIT K

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT K

-5-

ATTACHMENT NO. 1 TO EXHIBIT K

LEGAL DESCRIPTION

ATTACHMENT NO. 1 TO EXHIBIT K

EXHIBIT L

**PRE-APPROVED HOTEL FLAGS/OPERATORS² AND
RETAIL/RESTAURANT/ENTERTAINMENT COMPONENT TENANTS/OPERATORS**

Pre-Approved Additional Hotels

Aloft (Starwood)
Cambria Suites (Choice Hotels)
Country Inn and Suites (Carlson)
Courtyard (Marriott)
Destination Hotels and Resorts
Doubletree Hotel (Hilton)
Element (Starwood)
Fairfield Inn and Suites (Marriott)
Four Points by Sheraton (Starwood)
Hard Rock Hotel
Hawthorne Suites
Hilton Grand Vacations
Hilton Hotel
Holiday Inn (IHG)
Holiday Inn Club Vacations (IHG)
Hotel Indigo (IHG)
Hyatt Place (Hyatt)
Hyatt Vacation Club
Kimpton Hotel
Landry's Restaurant Themed Hotel
Marriott Hotel(s)
Marriott Vacation Club
Nickelodeon Hotel
Radisson Hotel (Carlson)
Red Lion Hotel
Sheraton Hotel (Starwood)
Springhill Suites (Marriott)
Staybridge Suites (IHG)
Starwood Vacation Ownership
Summerfield Suites (Hyatt)
Towne Place Suites (Marriott)
Tryp by Wyndham (Wyndham)
Warner Hotels and Resorts
Whyndam Hotel
Wingate (Wyndham)
Worldmark by Wyndham
Whyndam Garden
Whyndam Resorts Vacation Ownerships

Pre Approved Upper Upscale Hotels

² Approval of those Hotels/Operators associated with Vacation Ownership Resort (Timeshare) projects are subject to City approval of construction / operation of a Vacation Ownership Resort (Timeshare) pursuant to the Scope of Development (Exhibit C).

Andaz Hotel (Hyatt)
Autograph Collection (Marriott)
Destination Hotels and Resorts
Doral Hotel and Resorts
Dreamworks Hotel
Fairmont
Four Seasons
Grand Pacific Resorts
Hard Rock Hotel
Joie de Vivre Hotels
Jumeira Hotels
JW Marriott
Kessler Collection
KSL Resorts
Kimpton Hotel
Langham Hotel
Le Méridien
Loews
Luxury Collection (Starwood)
Mandarin Oriental Hotel
Marriott Hotels
Marriott Vacation Club
MGM Hotel
Millenium Hotels
Montage
Morgans Hotels Group
Nickelodeon Hotel
Omni Hotel and Resorts
Pan Pacific Hotel
Peabody Hotel
Planet Hollywood Hotel
Radisson Blu
Renaissance
Rosen Hotel
Sheraton Hotel
Sol Melia Hotels
Sonesta
Taj Hotel(s)
Thompson Hotel
Trump Hotel
W Hotels
Warner Hotels and Resorts
Westin
Wyndham Collection/Resort
Wyndham Resorts Vacation Ownership

Pre-Approved List of Full-Service Restaurants:

Applebees
Bahama Breeze
Bahama Breeze

EXHIBIT L

BJ's Restaurant and Brewery
Black Angus
Bonefish Grill
Buffalo Wild Wings Grill and Bar
Burgerville USA
California Pizza Kitchen
Capital Grill
Carrabba's Italian Grill
Cheeseburger in Paradise
Chevy's
Chili's Grill and Bar
Chuy's Mesquite Broiler
Claim Jumper
Daily Grill
Daily Grill/The Grill
Elephant Bar
Emerill's
Famous Dave's
Farrell's
Fleming's Steakhouse
Gladstones
Golden Corral
Grand Luxe Cafe
Granite City Food and Brewery
Hard Rock Café
Houston's
Il Fornaio Cucina Italiano
Islands
Johnny Carino's
Johnny Rockets
King's Fish House
Landry's Seafood
Laundry's Aquarium Restaurant
Logan's Roadhouse
Lone Star Steakhouse
LongHorn Steakhouse
Lucilles BBQ
Maggiano's/Corner Bakery Café
Maloney's
Margaritaville
Marie Callendar's/Babe's BBQ
Moe's Southwest Grill
Nascar Café
Nobu
Old Chicago
Olive Garden
On the Border
Panda Inn
Papa Bello
Pat and Oscars
Pizzeria Uno

EXHIBIT L

-3-

Prego
Qdoba Mexican Grill
RA Sushi Bar
Roadhouse Grill
RockSugar
Romano's Macaroni Grill
Ruby Tuesday's
Ruby's Diner
Season's 52
Sevilla
Smith & Wollensky
Smokey Bones BBQ
Spaghetti Factory
Texas Roadhouse
TGI Fridays
T-Rex
Uno Chicago
Wolfgang Pucks
Yard House
Z Tejas Grill

Pre-Approved List of Quick-Service Restaurants/Retail:

Crepe Café
Earl of Sandwich
Five Guys Hamburgers
Jerry Woodfired Hot Dogs
Panda Express
Panera Bread
Pink's Famous Hot Dogs
Portillos
Quiznos
Subway
The Hat
Togo's
Tommy's World Famous Hamburgers

EXHIBIT L

-4-

Pre-Approved List of Specialty Restaurants:

California Welcome Center (official State of California Retail Storefront)
Coffee Bean
Coffee Bean and Tea Leaf
Dunkin Donuts
Ghirardelli Soda Fountain & Chocolate Shop
Haagen Dazs
Jamba Juice
Lego Store
Peet's Coffee
Pink Berry
Sea World Store
Southern Maid Donut Shops
Starbucks
Universal Studios Store
Wetzels Pretzels
Yogurt Land

Pre-Approved List of Entertainment Uses

B.B. King's Blues Cafe
Fox Sports Grill
House of Blues
Howl at the Moon
Improv
Jillians
Landry's Aquarium
Laugh Out Loud Comedy
Madame Tussauds
NBA Café/City
Ripley's Aquarium
Ripley's Believe It or Not (or similar Ripley's Entertainment Venue)
Sea Life Centre
Warren and Annabelle's Magic Show or affiliate
Wonderworks



Horwath Hospitality & Leisure LLC
1050 Northgate Drive, Suite 440
San Rafael, CA 94903 USA
415.925.8800
415.925.8804 Fax
www.HorwathHTL.com

March 20, 2013

Mr. Greg Blodgett
Project Manager
City of Garden Grove
11222 Acacia Parkway, 3rd Floor
Garden Grove, CA 92840

Sent via: greg1@ci.garden-grove.ca.us
714-741-5124

Re: *Proposed Upper-Upscale and Full Service, Select-Service and Suites Hotels Located in Garden Grove, California*

Dear Mr. Blodgett:

We have completed our analysis of the potential performance of the aforementioned hotels to be developed in Garden Grove, California, to the south of the Disneyland Resort and Anaheim Convention Center. This summary report is subject to the attached statement of general assumptions and limiting conditions.

Background

It is our understanding that you require an analysis for the support of the subject properties for your internal purposes. The development is proposed for a city owned parcel referred to as Site C situated on the northeast quadrant of Harbor Boulevard and Twintree Lane. The hotels will be a component of a mixed-use development site, with inline entertainment, retail and restaurants along Harbor Boulevard. It is estimated the project will take approximately 12 to 18 months to complete the working drawings and obtain financing, and approximately 18 to 24 months to construct. Horwath has assumed 2017 as the first full operating year of the subject hotels.

You are in negotiations with a developer for potential city subsidies for a development on Site C. General assumptions, published data, the developer's estimates as well as primary research have been considered to develop estimates of the future performance for the proposed project. It is our understanding that the project as proposed will consist of the following:

- 360-room full service, upper upscale hotel with approximately 15,000 square feet of conference/meeting space (including a 10,000-square foot ballroom), spa and fitness center
- 150-room suites oriented hotel property
- 150-room select service hotel property

Our analysis has consisted of researching published information on statistics and trends in the lodging industry in the Garden Grove/Anaheim area, demographic/economic trends, phone calls with principals knowledgeable of the area lodging market, in-house market data, and direct interviews with hotel companies and hotel management. Our market research and analysis was conducted in March 2013. Horwath previously researched support for the upper upscale hotel in a report dated March 25, 2011. Please refer to the previous report for expanded regional information and detail on the area and site. Where appropriate, Horwath has noted relevant updates to our assumptions contained in the previous report.

Our conclusions assume that the subject properties will be operated and marketed by a competent and efficient management company and affiliated with a national chain. Further, the properties will be constructed and furnished with quality materials commensurate with their targeted level of service prototype(s) and be well maintained over the projection period. Our projections of occupancy and average daily rate (ADR) are based on the level of services envisioned for the subject properties.

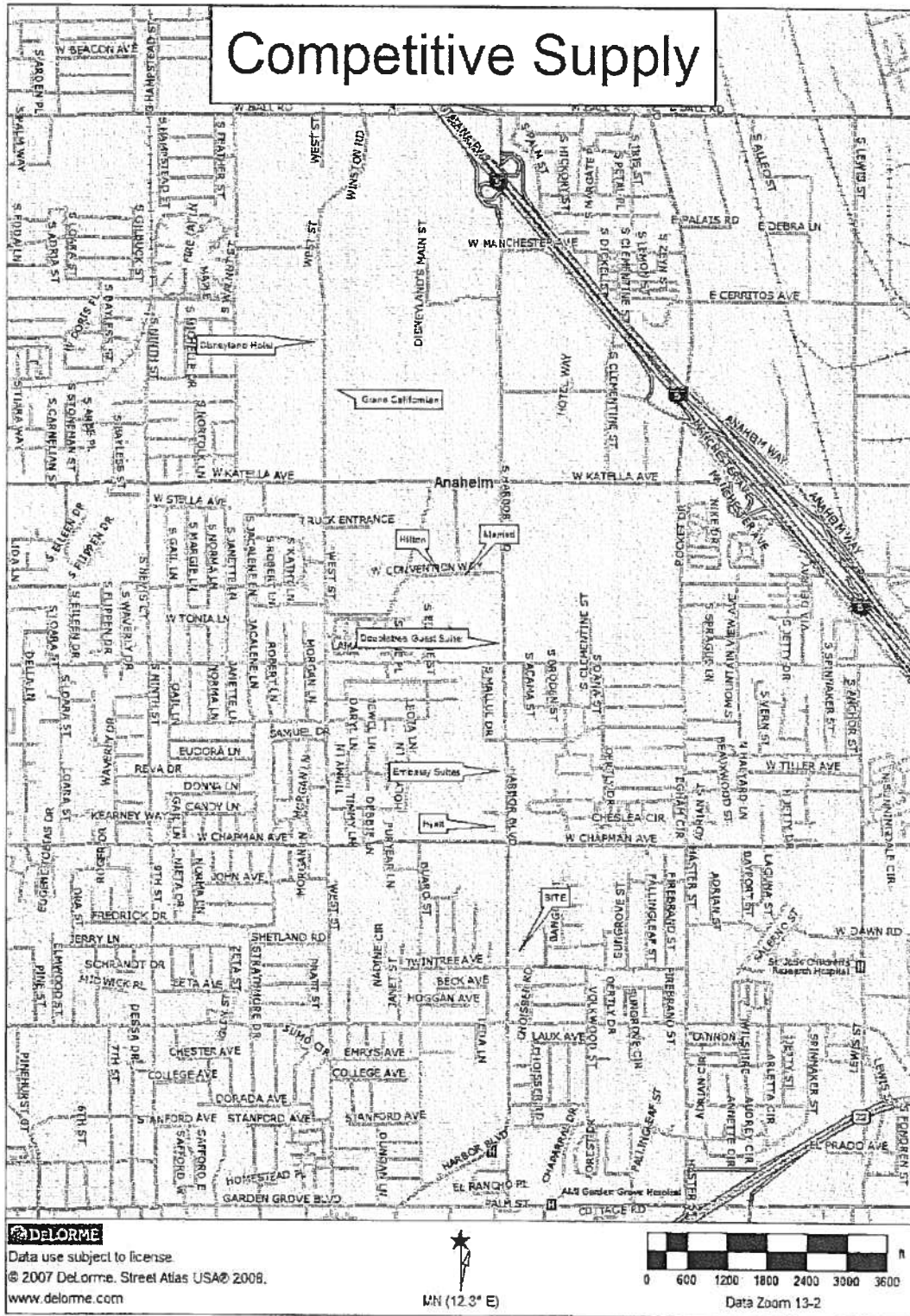
Competitive Lodging Market

There are numerous hotels within the competitive market area. In order to identify trends in the lodging market as well as support for the subject properties, we have identified a set of properties that we feel have successfully captured area demand in terms of occupancy and ADR. Assuming a ceiling in terms of ADR for the upper upscale property, we then determined a tiered capture of demand for the suites and select service properties due to their proximity and synergies within the proposed development.

There are seven full service properties that are achieving the highest average rates in the Garden Grove/Anaheim area. Chain affiliation and/or location relative to the Disneyland theme park are strong determinants as to the magnitude of both quoted and achieved rates. The locations of the properties are identified on the following map. A summary of these properties is presented as follows, followed by a map.

Competitive Set	Rooms	Open
Grand Californian Hotel	948	2001
Disneyland Hotel	969	1955
Hilton Anaheim	1,572	1984
Hyatt Regency Orange County	654	1987
Marriott Anaheim	1,030	1981
Embassy Suites Anaheim South	375	2002
Doubletree Guest Suites Anaheim Resort	251	2006
Total Keys	5,799	

Source: Hotel management & published sources



As indicated on the previous competitive supply chart, in 2012, there were seven properties totaling 5,799 guest rooms considered as the potential Garden Grove/Anaheim competitive supply for the subject upper upscale hotel. These properties were selected due to their ADR, size, facilities and amenities, quality and/or national brand affiliations, locations and market orientations.

With the exception of the two Disneyland hotels (Grand Californian Hotel and the Disneyland Hotel), all of the properties were nationally branded, chain-affiliated hotels. While there are some high-quality, independently owned and operated properties catering to Disneyland or the convention center, the importance of a chain affiliation is that it provides a recognizable, corporately mandated prototype that has been developed with a consistency in standard of operation, and benefits from shared support services such as marketing, reservations and frequent traveler reward programs. The independent properties were especially negatively impacted during the 2008/2009/2010 economic downturn, underscoring the importance of a recognized, national (or international) marketing program during downturns and/or off peak periods. As such, independently owned/operated properties were not included in the subject's competitive supply. Further, it should be noted that a Sheraton hotel in Garden Grove and one in Anaheim were not included in the competitive set as they share a reservation system with a third Sheraton property located closer to the Disneyland theme park, which has diluted their market share. As such, these properties have been negatively impacted by their lack of a brand differentiation coupled with secondary locations relative to the theme park, which impacted ADR. As this would have skewed the market set, they were not considered in the subject's competitive supply set.

The properties range in age from the 55 year-old Disneyland Hotel to the 203-room expansion of the Grand Californian Hotel in September 2009. All of the non-Disney properties are chain affiliated, and oriented toward either group or leisure visiting the Anaheim Convention Center or Disneyland. With the exception of the Hyatt Regency Orange County and Embassy Suites Garden Grove, all of the competitive properties are located within the city limits of Anaheim.

Competitive Supply Summary

The key similarities between the properties considered in the competitive set are their primary dependence upon Disneyland and/or convention center demand (or overflow compression), strong brand name affiliations, extent and quality of amenities, good physical conditions and their higher ADRs. As Harbor Boulevard develops with retail, commercial, and possibly a third gate in the future for Disneyland, and the Anaheim Convention Center expands, the Garden Grove properties will benefit. However, most of the Garden Grove properties do not have enough facilities or amenities to be considered "destinations" in this market. In other words, the subject will compete directly for the higher rated leisure demand staying in the competitive set, provide more of a focus of activity south along the Garden Grove portion of Harbor Boulevard, and help "drive rate" for the existing Garden Grove hotels. As of the date of this report, there is no upper upscale hotel located in the Garden Grove sector of the delineated Anaheim/Garden Grove competitive area.

Additions to Future Supply

We have concentrated on properties entering the Garden Grove/Anaheim area that would compete primarily for the higher rated (upscale) base leisure demand along Harbor Boulevard visiting the Disneyland Resort, or properties with significant meeting space. Due to the estimated size of the subject, as well as its proposed facilities and amenities, we have considered the following properties in



the future competitive supply. Although we are aware of other rumored and potential property additions, we have considered the status of their financing as our criteria for inclusion. Since the proposed additions to supply will benefit from public/private partnerships with the cities of Garden Grove and Anaheim, it is our opinion that they have a high probability of construction. The following chart summarizes our research, and further detail follows the chart.

Proposed Additions to Supply	Rooms	Open	Location
600-Key Great Wolf Lodge (1/3 competitive)	200	Jan-2017	Garden Grove
GardenWalk Hotel	466	Sep-2017	Anaheim
Total	666		

While approximately 90% of the hotel rooms accommodating Disneyland visitors are located in Anaheim, many are independent, older or "mom and pop" operations, representing an under utilization of their sites, in many cases. Over time, it is highly likely that many of these properties will be redeveloped or demolished and replaced with newer hotels. Due to the smaller land sizes of these properties and height restrictions in Anaheim, some of them may not be financially feasible, eventually pushing most of the future new development into the Garden Grove area (which lacks height restrictions). In the short term, however, we have considered only those properties that we estimate can obtain financing.

We are aware of no other hotels in the planning stages for inclusion in our projections of future supply. However, if additional rooms other than those mentioned in this report were to be added to the competitive supply, it could have a material impact on the market and the projected performance of the subject. The following chart reflects our estimate of the rooms included in the subject's future competitive supply.

Proposed Additions to Supply	2012	2013	2014	2015	2016	2017	2018
Current Rooms Supply	5,668						
Proposed Upscale Hotel- Garden Grove						360	
2 Disneyland Hotels (net)*	131						
Garden Walk District hotel Phase I (3rd Q 2017)						117	349
Great Wolf Lodge & Water Park (1/3 comp)						200	
Cumulative Rooms Supply	5,799	5,799	5,799	5,799	5,799	6,476	6,825
Total Annual Rooms Supply	2,116,635	2,116,635	2,116,635	2,116,635	2,116,635	2,363,558	2,490,943
Growth Over the Prior Year	2.3%	0.0%	0.0%	0.0%	0.0%	11.7%	5.4%

*impact of rooms expansion

Hotel Rooms Demand

Historical Operating Performance

According to our research, the individual occupancies within the delineated competitive supply ranged from 72% to 84%, with the largest (the group hotels) reflecting the lower occupancies. Average daily rates ranged from \$131 to \$304. The highest rate was achieved by the two Disney hotels combined.

The following chart presents the aggregated historical supply and demand for the properties considered in the competitive market from 2008 through 2012.

Historical Market Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	RevPAR	Percent Change
2008	2,050,205	N/A	1,516,580	N/A	74.0%	\$188.20	N/A	\$139.22	N/A
2009	2,050,205	0.0%	1,409,352	-7.1%	68.7%	173.29	-7.9%	119.12	-14.4%
2010	2,050,205	0.0%	1,442,765	2.4%	70.4%	172.49	-0.5%	121.38	1.9%
2011	2,068,820	0.9%	1,488,477	3.2%	71.9%	182.24	5.7%	131.12	8.0%
2012	2,116,635	2.3%	1,627,453	9.3%	76.9%	193.52	6.2%	148.80	13.5%
CAC	0.8%		1.8%			0.7%		1.7%	

Source: Horwath, STR CAC = compound annual change

As can be seen from the previous table, due to a gradual recovery from the economic recession, the downward trend began to reverse itself in 2010, which escalated in 2011 and continued into 2012 reflecting a 9.3% increase in occupied rooms. According to interviews, the strong recovery has continued into 2013, and several predict they are out of the recessionary period altogether. The significant uptick in both occupancy and ADR achieved in 2012 was also due to the completion of Disney's \$1.1 billion renovation which included the summer opening of Cars Land.

The ADR in the market increased at a 0.7% compound annual rate from 2008 to 2012, with increases in 2011 and 2012 erasing the declines from 2008 to 2010, resulting in revenue per available room (RevPAR) compound annual increase of 1.7%.

Estimated Growth in Supply and Demand

Based on our interviews, whether due to an improving economy, completion of renovations, reservations already on their books and a stronger January than expected, management at the delineated competitive set anticipates a stronger 2013 over 2012. Presented in the following table is a summary of the projected growth in supply, demand, and the resulting occupancy levels for the competitive market for the period 2013 to 2019, when the market is anticipated to stabilize.

Projected Market Performance of the Competitive Supply						
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	
2013	2,116,635	0.0%	1,660,000	2.0%	78%	
2014	2,116,635	0.0%	1,676,600	1.0%	79%	
2015	2,116,635	0.0%	1,715,300	2.3%	81%	
2016	2,116,635	0.0%	1,773,900	3.4%	84%	
2017	2,363,558	11.7%	1,837,500	3.6%	78%	
2018	2,490,943	5.4%	1,901,800	3.5%	76%	
2019	2,490,943	0.0%	1,920,800	1.0%	77%	
CAAG	2.8%		2.5%			

Source: HorwathHTL

A continued recovery is estimated for the market. The higher increases in occupied rooms beginning in 2015 reflect the completion of the expansion of the convention center (impact to be recognized in the 3rd quarter of 2015). There will be an absorption period whereby new room supply additions will negatively impact the occupancy of the existing supply beginning in 2017. Specifically, market occupancy peaks in 2016 at 84%, but declines as a percentage, as new rooms enter the competitive supply beginning in 2017. Market occupancy will continue to increase gradually as the new rooms are absorbed, due to no new supply additions and the marketing efforts of the individual properties. Market occupancy is anticipated to stabilize at 77% in 2019. While 77% is slightly less than the 78% anticipated in 2013, it is closer to the 76.9% occupancy experienced in 2012, which is felt to be more representative of a stable market. Further, according to our interviews, hoteliers anticipate pushing ADRs, which could potentially impact rising occupancies. A stabilized market occupancy reflects an even, sustainable rate that takes into account the peaks in excess of 77%, and the valleys that occur during the cyclical fluctuations of the economy. Further, new rooms are apt to be added to the supply when occupancies rise. A stabilized occupancy of 77% reflects a healthy lodging market.

Subject Occupancy and Average Daily Rate Estimates

Our estimates of occupancy and ADR are based on a survey of competitive hotels, an analysis of the segmentation of demand in the market, and our assessment of the subject hotels' expected market position. The occupancy of the subject hotel was estimated based on its ability to penetrate each market segment. The "penetration rate" of a hotel is the percentage of room nights captured relative to the property's "fair share" based on its number of rooms in relation to its competitive supply. Factors indicating a hotel would possess competitive advantages suggest a market penetration in excess of 100% of fair market share, while competitive weaknesses are reflected in penetration rates of less than 100%.

Blending the penetration rates estimated for the individual demand segments (leisure and group) results in an overall market penetration rate of 98% of market share in the stabilized (3rd) operating year for the subject due primarily to its distance from Disneyland. The foregoing assumptions result in an estimated occupancy beginning at 64% and stabilizing at 75% in the third operating year.

The subject's stabilized market mix, based on the penetration levels estimated previously, would be approximately 52% group and 48% leisure demand. A summary of the penetration levels and subsequent occupancies is shown as follows.

**Proposed Upper Upscale Hotel – Garden Grove
Market Penetration and Projected Occupancy**

	2017	2018	2019
TOTAL ROOMS AVAILABLE			
Proposed Hotel	131,400	131,400	131,400
Competitive Market	2,363,558	2,490,943	2,490,943
Fair Share of Supply	5.6%	5.3%	5.3%
ESTIMATED TOTAL MARKET DEMAND			
Leisure	914,100	946,100	955,600
Group	923,400	955,700	965,200
TOTAL	1,837,500	1,901,800	1,920,800
FAIR SHARE OF DEMAND			
Leisure	50,800	49,900	50,400
Group	51,300	50,400	50,900
TOTAL	102,100	100,300	101,300
SUBJECT PENETRATION			
Leisure	85%	95%	95%
Group	80%	90%	100%
ROOM NIGHTS CAPTURED			
Leisure	43,200	47,400	47,900
Group	41,100	45,400	50,900
TOTAL CAPTURED DEMAND	84,300	92,800	98,800
MARKET SHARE CAPTURED	4.6%	4.9%	5.1%
OVERALL MARKET PENETRATION	83%	93%	98%
SUBJECT OCCUPANCY	64%	71%	75%
MARKET MIX			
Leisure	51%	51%	48%
Group	49%	49%	52%
TOTAL	100%	100%	100%

Source: Horwath

We have stabilized the subject at 75% occupancy in 2019. A stabilized occupancy is recognized as a typical and sustainable rate, though some years it may fluctuate due to local economic conditions and/or new supply additions.

Based on rates being achieved by the competitive supply as well as the amenities and facilities to be offered by the subject, we then estimated its potential achievable ADR.

Average rates peaked in 2008 at \$188, before declining \$15 in 2009. While a slight recovery (\$1.00) was evident in 2010, it must be noted that this coincided with the rooms addition at the very pricey Grand Californian located on the grounds of Disneyland. A \$10 recovery occurred in 2011, followed by an additional \$12 increase in 2012, resulting in a \$6 increase over the 2008 ADR level. As noted previously, the aggregated ADR of the two Disney properties was \$278 in 2008, dropping to \$248 in 2010, but estimated at \$304 by year end 2012. It should also be noted that even with these strong ADRs, the aggregated occupancy of the Disney hotels in 2008 and 2012 was 87% and 81%, respectively. The Garden Grove properties will not be able to successfully compete on ADR with the



Disney hotels without the amenities to create a competitive “destination” to the Disneyland theme park. As the subject is located the farthest distance from the Disneyland Resort, it is more vulnerable to rate discounting and/or additions to supply. While the subject is anticipated to fill the upper upscale market niche as well as benefit from the Anaheim convention center, the Disneyland properties garner a premium due to their locations (and the upper upscale accommodations at the Grand Californian). Therefore, we have considered only the non-Disney properties in our analysis of a potential rate.

As noted previously, we are anticipating a premium over the non-Disney properties due to the quality of the facilities at the subject. We also anticipate continuing increases in ADRs due to an improving economy, the numerous renovations within the subject’s delineated competitive supply, along with the \$1.1 billion renovation/expansion of Disneyland and compression created by the expansion of the convention center.

To estimate the most probable rate for the subject, we focused on the highest ADR of the non-Disneyland properties. Assuming 2008 was a representative year (prior to the economic downturn), and affording a premium of \$8.00 to the ADR achieved by the Embassy Suites, we have considered a \$155 ADR in 2008 value dollars if the subject were open and operating at that time. Inflating the rate considering a 3% annual inflation rate, we have estimated a market recovery ADR of \$170 by the subject in 2013 value dollars. We believe this rate positioning is appropriate taking into consideration the property’s location, quality of the product, market orientation, and presumed brand identity.

The following table presents our assumptions regarding the potential occupancy and ADR achievable by the subject over the five-year period beginning January 1, 2017. While rate discounting is typical in the early years, with real rate growth over and above inflation in subsequent years, we do not anticipate the property will be able to push ADR further, unless a “destination” for increased visitation is introduced in the Garden Grove area. We have assumed a general inflation assumption of 3.0% annually, consistent with the historic levels over the past 20 years.

Proposed Upper Upscale Hotel – Garden Grove - Projected Performance			
Year	Occupancy	ADR¹	Inflated ADR²
2017	64%	\$170.00	\$191.00
2018	71%	170.00	197.00
2019 ³	75%	170.00	203.00
2020	75%	170.00	209.00
2021	75%	170.00	215.00

¹ Average daily rate, presented in 2013 value dollars, rounded to the nearest \$1.00
² Average daily rate, presented in inflated dollars at 3% annually, rounded to the nearest \$1.00
³ Stabilized occupancy year

Suites and Select Service Hotels

In order to assess support for the operating performance estimated by the developer for the two other properties within the development, Horwath considered the operating performance of individual properties within the subjects’ market area as well as reviewed published market projections. We have made the following assumptions regarding some of the positive factors for the proposed hotels:



- A selection of lodging alternatives offering tiered pricing of hotel product (upper upscale, all suite and select service) for referral/overflow;
- Location within a mixed-use development, offering retail and entertainment venues;
- Synergies related to sales and marketing campaigns and strategies as well as shared transportation options to the convention center, Disneyland park and other venues;
- A location along Harbor Boulevard that will benefit from the future location of a proposed third gate for Disneyland.

It should be noted that the suite and select service properties will have more competition than the upper upscale property in terms of supply, as well as not offer the meeting space and amenities to justify higher room rates. Further, we have estimated 2.5% annual inflation for ADR. Considering these and other factors, we have assumed the developers estimates as reasonable for the suites and select service properties as follows:

Proposed Hotels – Projected Performance						
Year	150-Room Suite Hotel			150-Room Select Service Hotel		
	Occ.	ADR ¹	ADR ²	Occ.	ADR ¹	ADR ²
2017	69%	\$116	\$125	68%	\$125	\$135
2018	71%	116	132	71%	125	137
2019 ³	74%	116	143	74%	125	149
2020	74%	116	147	74%	125	154
2021	74%	116	152	74%	125	158

¹ Average daily rate, presented in 2013 value dollars, rounded to the nearest \$1.00
² Average daily rate, presented in inflated dollars
³ Stabilized occupancy year

Land Residual Analysis

Subject to the terms and conditions of the proposed resort hotel development agreement between the City of Garden Grove and the developer, the city will provide the site to the developer at no cost, free and clear. The residual value is based on estimating the value of the completed and operating project less all development costs (which includes an allocation for developer profit). The remainder represents the amount the developer could afford to pay for the site. The indicated residual land value, including city assistance, is summarized as follows.

Residual Land Value	
	Total
ProjectMarket Value	\$116,200,000
Construction Cost	(147,700,000)
Land Value	(\$31,500,000)
Rounded:	(\$31,500,000)

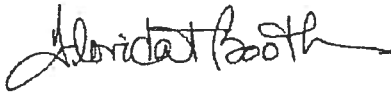
Source: HorwathHL

Therefore, based on our research and assumptions, as well as information provided by the developer, it is our opinion that the negative residual land value totals approximately \$31.5 million.

Our assumptions and conclusions are based on a number of factors, which may or may not occur. Assets such as hotels are able to recover increases in costs through increases in rates, which can vary daily. This is not an option for many other real estate uses that are locked into annual lease terms. In addition to new future hotel supply securing financing, unanticipated events and circumstances can affect the forecasted estimate. Therefore, our estimated result may vary from the actual result, and the variation may be material. However, we have considered this level of residual land value as reasonable.

We appreciate the opportunity to present this report to you. If there are any questions after you have had the opportunity to review it, please do not hesitate to call us at your convenience. Thank you once again for the opportunity to be of service.

Sincerely,



Florida T. Booth, MAI, CCIM
Managing Director
Horwath Hospitality & Leisure LLC

ADDENDA

Statement of Assumptions and Limiting Conditions

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

Economic and Social Trends - The consultant assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of the letter of transmittal accompanying this report. The consultant is not obligated to predict future political, economic or social trends.

Information Furnished by Others - In preparing the report, the consultant was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either expressed or implied, is given by the consultant for the accuracy of such information and the consultant assumes no responsibility for information relied upon later found to have been inaccurate. The consultant reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Hidden Conditions - The consultant assumes no responsibility for hidden or unapparent conditions of the properties, subsoil, ground water or structures. No responsibility is assumed for arranging for engineering, geologic or environmental studies that may be required to discover such hidden or unapparent conditions.

Hazardous Materials - The consultant has not been provided any information regarding the presence of any material or substance on or in any portion of the subject property, which material or substance possesses or may possess toxic, hazardous and/or other harmful and/or dangerous characteristics. Unless otherwise stated in the report, the consultant did not become aware of the presence of any such material or substance during the consultant's inspection of the subject property. However, the consultant is not qualified to investigate or test for the presence of such materials or substances. The consultant assumes no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or engineering knowledge required to discover the presence of such substance or material. Unless otherwise stated, this report assumes the subject property is in compliance with all federal, state and local environmental laws, regulations and rules.

Zoning and Land Use - Unless otherwise stated, the subject property is assumed to be in full compliance with all applicable zoning and land use regulations and restrictions.

Licenses and Permits - Unless otherwise stated, the property is assumed to have all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization that have been or can be obtained or renewed for any use on which the performance estimates contained in this report are based.

Engineering Survey - No engineering survey has been made by the consultant. Except as specifically stated, data relative to size and area of the subject property was taken from sources considered reliable and no encroachment of the subject property is considered to exist.

Subsurface Rights - No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

Maps, Plats and Exhibits - Maps, plats and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

Legal Matters - No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate consultants.



STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

(Continued)

Right of Publication - Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the consultant, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with properly written qualification and only in its entirety for its stated purpose.

Archeological Significance - No investigation has been made by the consultant and no information has been provided to the consultant regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

Compliance with the Americans with Disabilities Act - The Americans with Disabilities Act ("ADA") became effective January 26, 1992. It is assumed that the property will be in direct compliance with the various detailed requirements of the ADA.

Definitions and Assumptions - The definitions and assumptions upon which our analyses, opinions and conclusions are based are set forth in appropriate sections of this report and are to be part of these general assumptions as if included here in their entirety.

Utilization of the Land and/or Improvements - It is assumed that the utilization of the land and/or improvements is within the boundaries or property described herein and that there is no encroachment or trespass.

Dissemination of Material - Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, new media or other public means of communication without the prior written consent and approval of the consultant(s).

Distribution and Liability to Third Parties - The party of whom this report was prepared may distribute copies of this report only in its entirety to such third parties as may be selected by the party for whom this report was prepared; however, portions of this report shall not be given to third parties without our written consent. Liability to third parties will not be accepted.

Use in Offering Materials - This report, including all cash flow forecasts, market surveys and related data, conclusions, exhibits and supporting documentation may not be reproduced or references made to the report or to the Consultant in any sale offering, prospectus, public or private placement memorandum, proxy statement or other document ("Offering Material") in connection with a merger, liquidation or other corporate transaction unless The Consultant has approved in writing the text of any such reference or reproduction prior to the distribution and filing thereof.

Limits to Liability - The Consultant cannot be held liable in any cause of action resulting in litigation for any dollar amount which exceeds the total fees collected from this individual engagement.

Legal Expenses - Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.



DECLARATION OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA,)
 COUNTY OF ORANGE)

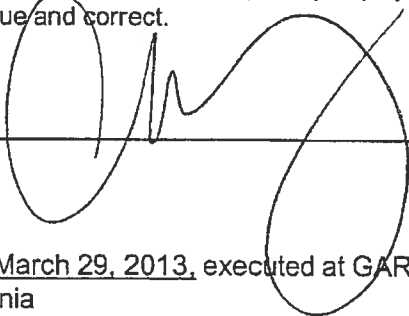
THIS SPACE IS FOR THE COUNTY CLERK'S STAMP

I AM A CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE AFORESAID COUNTY; I AM OVER THE AGE OF EIGHTEEN YEARS AND NOT A PARTY TO OR INTERESTED IN THE ABOVE ENTITLED MATTER. I AM THE PRINCIPLE CLERK OF THE ORANGE COUNTY NEWS, A NEWSPAPER OF GENERAL CIRCULATION PRINTED AND PUBLISHED TWICE WEEKLY IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, WEST JUDICIAL DISTRICT, AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, UNDER THE DATE OF 3/20/64 CASE #A31502 THAT THE NOTICE, OF WHICH THE ANNEXED IS A PRINTED COPY, HAS BEEN PUBLISHED BY DISTRIBUTION IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO WIT:

March 29,

all in the year 2013

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.



 signature

Date: March 29, 2013, executed at GARDEN GROVE, California

LEGAL NOTICE
 NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF GARDEN GROVE WILL HOLD A PUBLIC HEARING IN THE COUNCIL CHAMBER OF THE COMMUNITY MEETING CENTER, 11300 STANFORD AVENUE, GARDEN GROVE, CALIFORNIA, ON THE DATE * INDICATED BELOW, TO RECEIVE AND CONSIDER ALL EVIDENCE AND REPORTS RELATIVE TO CONSIDERATION OF A PROPOSED RESORT HOTEL DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND LAND & DESIGN, INC.

TUESDAY, APRIL 9, 2013, 6:30 P.M.

The proposed Resort Hotel Development Agreement ("Agreement") between the City of Garden Grove (the "City") and Land & Design, Inc. (the "Developer") pertains to an approximately five acre site located at the northeast corner of Harbor Boulevard and Twintree Lane on Harbor Boulevard (the "Site"). Pursuant to the proposed Agreement, the Developer would agree to construct a resort hotel project on the Site meeting certain quality thresholds and consisting of up to three hotels, event/meeting space, a retail/restaurant/entertainment component, and adequate structured parking (the "Project") and to operate the separate components of the Project in accordance with specified covenants. To assist in creating future financial feasibility necessary to allow the construction and operation of the Project to proceed, the City would agree to convey the Site to the Developer, to make certain annual financial assistance payments to the Developer in an amount measured by the tax revenues to the City generated by the Project over a period of twenty (20) years, and to provide certain other economic assistance.

ALL INTERESTED PARTIES are invited to attend the City Council Public Hearing, or write a letter, and express opinions or submit evidence for or against the proposal as outlined above. If you challenge the application in Court, you may be limited to raising only those issues raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the Public Hearing. Written correspondence received before 3:00 p.m. on the Wednesday before the hearing will be given to the City Council prior to the meeting. Information received after that time will be given to the City Council at the time of the meeting. Further information on the above matter may be obtained from Greg Blodgett, Senior Project Manager, City Hall, 11222 Acacia Parkway, Garden Grove, or by telephone at (714) 741-5124.

/s/ KATHLEEN BAILOR, CMC
 City Clerk
 Date: March 26, 2013
 Publish: March 29, 2013
Orange County News
 13-30252
 Publish Mar. 29, 2013

Subject: RE: Site "C"

From: "Morgan, Jayna" <Jayna.Morgan@aecom.com>

Date: Tue, 14 Jul 2015 20:47:42 +0000

To: Matthew Reid <matt.reid@landanddesign.com>

CC: Dave Rose <drose3@charter.net>, David Rose <drose3@hotmail.com>, "Alana Cheng (alanac@ci.garden-grove.ca.us)" <alanac@ci.garden-grove.ca.us>

Hi Matt-

Good to hear from you. Regarding your request, I need to check with the City as I believe that they will want us to be under direct contract to them since it is a CEQA addendum document.

Also- it will be a very long contract process if AECOM has never contracted with the entity below. I have our contract people checking our system to see if they have been a past client.

Also, I believe the City has already started the contract with them since it is something that can be signed by the Director/Susan due to the small amount. We already gave the City our updated insurance certificates.

Alana- please let me know if the process has been started.

Thanks!

Jayna Morgan

Environmental Planner/Senior Project Manager

AECOM

999 Town & Country Road, Orange, CA 92868

T 714.567.2417 F 714.567.2760

www.aecom.com

From: Matthew Reid [mailto:matt.reid@landanddesign.com]

Sent: Tuesday, July 14, 2015 8:15 AM

To: Morgan, Jayna

Cc: Dave Rose; David Rose

Subject: Re: Site "C"

Importance: High

Good Morning Jayna,

I'm not sure if this was the "final" version of your proposal or not as I know you and Dave have been communicating directly (which is fine). We want to get this process moving, therefore I'll ask that you revise the proposal to be addressed to Bainbridge Capital (our JV Partner) with signature block changes so we can get started. We understand the City will be the lead agency, however to expedite the approval of the work (and to get moving, rather than waiting for the City to draw up a reimbursement agreement) our capital partner will be the one signing your proposal. Please address your proposal as follows and resend. We'll get signed today.

Nick Chini

Managing Director / Bainbridge Capital

4435 Eastgate Mall, Suite 130

San Diego, CA 92121

Thank you and let me know if you should have any questions.

Thanks

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91942

858.735.1858 cell

Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jul 6, 2015, at 3:15 PM, Morgan, Jayna <Jayna.Morgan@aecom.com> wrote:

Hi Matt and David,

Hope you had a happy and safe holiday. Please see attached and below for the latest correspondence between me and the City regarding the Site C proposed revisions and our Scope and Fee to address the revisions in the approved CEQA document.

Let me know if you have any questions.

Best Regards-

Jayna Morgan

Environmental Planner/Senior Project Manager

AECOM

999 Town & Country Road, Orange, CA 92868

T 714.567.2417 F 714.567.2760

www.aecom.com

From: Maria Parra [<mailto:mariap@ci.garden-grove.ca.us>]

Sent: Wednesday, July 01, 2015 9:50 AM

To: Morgan, Jayna

Cc: Karl Hill

Subject: Re: Site "C"

Hi Jayna,

I am okay with the changes. I will forward a copy to Susan, and to the City Attorney to formulate the agreement. Thank you!

Best regards,

Maria Parra

Urban Planner

City of Garden Grove | Planning Services Division
11222 Acacia Parkway, Garden Grove, CA 92840
(714) 741-5312 | (714) 741-5578 fax
mariap@ci.garden-grove.ca.us | www.ci.garden-grove.ca.us

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Direct Website Links:

[Planning Division](#)
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[Zoning Map](#)

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>
To: "Maria Parra" <mariap@ci.garden-grove.ca.us>
Cc: "Karl Hill" <karlh@ci.garden-grove.ca.us>
Sent: Tuesday, June 30, 2015 3:43:01 PM
Subject: RE: Site "C"

Hi Guys,

Attached please find the revised proposal with your edits incorporated.
Let me know if you have any questions or need any additional changes.

If I don't speak with you before have a wonderful fourth of July holiday with family and friends.

Best Regards-
Jayna Morgan
Environmental Planner/Senior Project Manager

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<Addendum Proposal - Hotel Site C.pdf><Mail Attachment.eml>

Subject: RE: Site "C"

From: "Morgan, Jayna" <Jayna.Morgan@aecom.com>

Date: Wed, 15 Jul 2015 00:41:44 +0000

To: Alana Cheng <alanac@ci.garden-grove.ca.us>

CC: Dave Rose <drose3@charter.net>, David Rose <drose3@hotmail.com>, "Matthew Reid" <matt.reid@landanddesign.com>, "Kimble, Vivianne" <Vivianne.Kimble@aecom.com>, Karl Hill <karlh@ci.garden-grove.ca.us>, "Maria Parra" <mariap@ci.garden-grove.ca.us>

Thanks Alana.

Have a great evening!

Jayna Morgan

Environmental Planner/Senior Project Manager

AECOM

999 Town & Country Road, Orange, CA 92868

T 714.567.2417 F 714.567.2760

www.aecom.com

From: Alana Cheng [mailto:alanac@ci.garden-grove.ca.us]

Sent: Tuesday, July 14, 2015 5:38 PM

To: Morgan, Jayna

Cc: Dave Rose; David Rose; Matthew Reid; Kimble, Vivianne; Karl Hill; Maria Parra

Subject: Re: Site "C"

Hi Jayna,

Of course, thank you for getting the scope of work and insurance docs to us so quickly.

Yes, you are correct.

Alana Cheng

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>

To: "Alana Cheng" <alanac@ci.garden-grove.ca.us>, "Karl Hill" <karlh@ci.garden-grove.ca.us>, "Maria Parra" <mariap@ci.garden-grove.ca.us>

Cc: "Dave Rose" <drose3@charter.net>, "David Rose" <drose3@hotmail.com>, "Matthew Reid" <matt.reid@landanddesign.com>, "Vivianne Kimble" <Vivianne.Kimble@aecom.com>

Sent: Tuesday, July 14, 2015 4:46:13 PM

Subject: RE: Site "C"

Ok, great Alana. Thanks so much.

As I understand the process, the contract can be signed by Susan due to the small dollar amount. So there will be no delay one you receive the document from the developer.

Jayna Morgan

Environmental Planner/Senior Project Manager

AECOM

999 Town & Country Road, Orange, CA 92868

T 714.567.2417 F 714.567.2760

www.aecom.com

From: Alana Cheng [<mailto:alanac@ci.garden-grove.ca.us>]

Sent: Tuesday, July 14, 2015 4:33 PM

To: Morgan, Jayna; Karl Hill; Maria Parra

Cc: Dave Rose; David Rose; Matthew Reid

Subject: Re: Site "C"

Hi Jayna,

Yes the contracts are already in process, just waiting on the documents from the developer so we can process them concurrently.

Alana

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>

To: "Matthew Reid" <matt.reid@landanddesign.com>

Cc: "Dave Rose" <drose3@charter.net>, "David Rose" <drose3@hotmail.com>, "Alana Cheng (alanac@ci.garden-grove.ca.us)" <alanac@ci.garden-grove.ca.us>

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Cc: Dave Rose; David Rose

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Nick Chini
Managing Director / Bainbridge Capital
4435 Eastgate Mall, Suite 130
San Diego, CA 92121

Thank you and let me know if you should have any questions.

Thanks

Matthew Reid
Land & Design, Inc.
3755 Avocado Blvd | #516 | LaMesa, CA 91942
858.735.1858 cell
Skype - [matthew.reid.ca](https://www.skype.com/user/matthew.reid.ca)
matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

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Jayna Morgan
Environmental Planner/Senior Project Manager

AECOM

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Maria Parra

Urban Planner
City of Garden Grove | Planning Services Division
11222 Acacia Parkway, Garden Grove, CA 92840
(714) 741-5312 | (714) 741-5578 fax
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Jayna Morgan

Environmental Planner/Senior Project Manager

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www.aecom.com

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<Addendum Proposal - Hotel Site C.pdf><Mail Attachment.eml>

Subject: RE: DDA 2011

From: Grace Lee <gracel@ci.garden-grove.ca.us>

Date: Wed, 15 Jul 2015 10:25:01 -0700 (PDT)

To: Matt Reid <matt.reid@landanddesign.com>

CC: Greg Blodgett <greg1@ci.garden-grove.ca.us>

Hi Matt,

Sorry about the confusion. Here is the original 2011 DDA.

Grace E. Lee

Sr. Economic Development Specialist

City of Garden Grove | Economic Development Division

11222 Acacia Parkway, Garden Grove, CA 92840

Tel. 714.741.5130 | Fax (714) 741-5205

DDA with Land & Design Inc. 2011.pdf	Content-Type: application/pdf Content-Encoding: base64
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BACKGROUND/DISCUSSION

The Developer is a diversified real estate company headquartered in San Diego, California.

On March 22, 2011, the Developer submitted a conceptual site plan and profoma for Site C. Staff believes that the project's development program, including the Upper Upscale Hotel, including a conference center, is consistent with the City's and Agency's vision for this site. As a result, staff has prepared a proposed Disposition and Development Agreement (Attachment 1), which is attached for City Council and Agency review.

Summary of the Disposition and Development Agreement (AGREEMENT) Proposed Deal Points

The Agreement contains the business terms for implementing the Project. It establishes the obligations and responsibilities for both the Agency and the Developer. The Agreement terms are summarized as follows:

1. Land Purchase Price

The Agency will convey the site to the Developer free of encumbrances and at no cost. The Agency is required to pay for the cost of all off-site infrastructure required as a condition of development approval. The site is comprised of 14 parcels some of which are owned by the Agency ("Agency Parcels") and some of which are owned by third parties ("Third Party Property") as shown on Attachment 1. As a condition precedent to the closing, the Agency will seek to acquire the Third Party Property. The budget for the Agency Improvement Costs, including acquisition of the Third Party Property, is estimated to be \$15.8 Million, which includes the land acquisition, tenant relocation, and demolition of building structures.

2. Upper Upscale Covenant Consideration

The Developer will receive an amount equivalent to fifty-eight percent (58%) of the Annual Transient Occupancy Tax (TOT) generated through June 30, 2034, which is the sunset of the redevelopment project area. After the Developer receives an amount equal to fifty-eight percent (58%) of the TOT, the Agency will deduct an amount equal to fourteen and 29/100 percent (14.29%) of the Agency Improvement Costs each year until the total amount of the Agency Improvement Costs has been recouped by the Agency, the Developer will receive an amount equal to fifty percent (50%) of all TOT, Sales Tax and Net Increment Revenues for twelve (12) years from the date on which Completion of Construction occurs.

3. Limited Service/Select Service Covenant Consideration

The Developer will receive an amount equivalent to fifty percent (50%) Annual Transient Occupancy Tax (TOT), Sales Tax and Revenue and Net Tax Increment generated by the Limited Service Hotel(s) for a ten (10) year period.

4. The Sunbelt Property Lease (Mann)

The Developer will assume all terms and conditions of the lease between the Agency and Mann. The Developer will receive an amount equal to fifty percent (50%) of the Net Tax Increment Revenues and Sales Tax Revenues generated by the Sunbelt Property for a period of ten (10) years from the date on which Completion of Construction occurs.

5. Deposit

Developer will pay the Agency a Deposit of \$50,000, which Deposit may be used by the Agency to cover its costs in connection with implementation of this Agreement. The unexpended portion of the Deposit will be (1) returned to the Developer at the Close of Escrow; (2) returned to the Developer upon termination of the Agreement if the Agreement is terminated without default of the Developer; or (3) retained by the Agency in the event termination of the Agreement is a result of default by the Developer.

6. Site Remediation

The Agency will pay up to \$250,000 for site remediation if it is determined that site remediation is required.

7. Escrow

Escrow is scheduled to close on/or before June 15, 2012.

8. Closing-Time Extension

As long as the Franchise Agreement is still operative, the schedule of performance allows for two (2) - six (6) month extensions.

9. Reuse Valuation

Based on cost and revenue numbers provided by the Developer, Horwath, Hospitality and Leisure, LLC (Horwath), the Agency's economic consultant, concluded that the Project's development costs compared to the estimated income and development values reasonably expected from the Project, generates a negative reuse value inclusive of the Agency's assistance of Thirty Five Million Four Hundred Thousand Dollars (\$35,400,000). This financial gap is consistent within industry standards for a project of this type.

Summary Report

In accordance with Section 33433 of the California Health and Safety Code, Horwath prepared a Summary Report (Attachment 4) to inform the City Council, Agency and the public about the transaction. As such, Horwath has determined that the consideration is not less than the reuse value. The Summary Report includes the following: the cost of the Agreement to the Agency; the estimated fair market value of the property; the estimated fair reuse value of the property; the consideration to the Agency, and an explanation of how the sale or lease will assist in the elimination of blight. As such, Horwath has determined that the consideration is not less than the fair market value at its highest and best use.

Environmental Review

In conjunction with the preparation of the Agreement, staff has prepared and circulated a Negative Declaration in accordance with the California Environmental Quality Act. The analysis is based, in substantial part, on the Environmental Impact Report certified in conjunction with the 2002 Redevelopment Plan Amendment and the Environmental Impact Report certified in conjunction with the General Plan Update in 2008.

FINANCIAL IMPACT

- It is estimated that this project will generate new City and Agency revenue of \$4,400,000 annually when the Project is complete.

Upper Upscale Hotel Project Revenue	\$2.9 Million
First Limited Service/Select Service Hotel Project Revenue	\$750,000
<u>Second Limited Service/Select Service Hotel Project Revenue</u>	<u>\$750,000</u>
Grand Total Revenue	\$4.4 Million

- The Project is projected to generate approximately 750 to 1025 construction jobs and permanent and temporary hotel restaurant and retail jobs.

RECOMMENDATION

Staff recommends that the City Council:

- Conduct a joint Public Hearing with the Agency; and
- Adopt the attached Resolution (Attachment 2) consenting to the approval of the Disposition and Development Agreement between the Agency and Land & Design, Inc.

DISPOSITION AND DEVELOPMENT AGREEMENT
WITH LAND & DESIGN, INC. AND RELATED ENVIRONMENTAL REVIEW
June 14, 2011
Page 5

Staff recommends the Agency:

- Conduct a joint Public Hearing with the City Council; and
- Adopt the attached Resolution (Attachment 3) approving the Negative Declaration and the attached Disposition and Development Agreement with Land & Design, Inc. for the development of the 5-acre site in the City of Garden Grove known as Site C.
- Authorize the Agency Director to execute the Disposition and Development Agreement and any other pertinent documents to effectuate the Agreement.



By: GREG BLODGETT
Senior Project Manager

Attachment 1: Disposition and Development Agreement
Attachment 2: City Resolution
Attachment 3: Agency Resolution
Attachment 4: Summary Report
Attachment 5: Negative Declaration

mm(h:Staff/GBI/DDA-Land & Design Inc. sr 061411v3.doc)

Approved for Agenda Listing



Matthew Fertal
City Manager

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

and

LAND & DESIGN, INC.

TABLE OF CONTENTS

	Page
100. INTRODUCTORY PROVISIONS	2
101. Definitions.....	2
102. Representations, Warranties and Covenants.....	11
102.1 Agency Representations Warranties and Covenants	11
102.2 Developer's Representations, Warranties and Covenants.....	13
102.3 Agency and Developer Representation Re Authority and Enforceability.....	14
103. Transfers of Interest in Site or Agreement.....	14
103.1 Prohibition Against Transfer Prior to Release of Construction Covenants.....	14
103.2 Permitted Transfers.....	14
103.3 Agency Consideration of Requested Transfer After Release of Construction Covenants.....	15
103.4 Assignment and Assumption Agreement.....	16
103.5 Agency Action Re Requested Transfer.....	16
103.6 Initial Selection and/or Transfers with Respect to the Hotel Operator, Franchisor, and Tenants; Approval of the Franchise Agreement	16
103.7 Transfer of Covenant Consideration.....	16
200. DISPOSITION OF THE SITE	17
201. Conveyance of the Site to Developer.....	17
201.1 Acquisition of Third Party Property by Negotiated Purchase	17
201.2 Acquisition of Third Party Property by Eminent Domain	17
201.3 Consideration for Site	18
201.4 Condition of Site.....	18
201.5 Opening and Close of Escrow.....	18
201.6 Submittal of Documents	19
201.7 Post-Closing Deliveries by Escrow	20
201.8 Payment of Escrow Costs	20
202. Review of Title.....	20
203. Title Policy.....	21
204. Studies, Reports.....	22
204.1 Site Investigation	22
204.2 As-Is Environmental Condition	22
204.3 Indemnities and Release Re Hazardous Material	22
205. Conditions to Closing.....	23
205.1 Agency's Conditions Precedent	23
205.2 Developer's Conditions Precedent	24
300. DEVELOPMENT OF THE SITE	25
301. Scope of Development.....	25
301.1 Improvements	25
301.2 Agency Improvements.....	26
301.3 Parking Structure	27
301.4 Design Review.....	27

TABLE OF CONTENTS
(Continued)

	Page
302. Construction Drawings and Related Documents	27
303. Land Use Approvals.....	27
304. Schedule of Performance	28
305. Cost of Construction	28
306. Insurance Requirements.....	28
306.1 Insurance Coverage.....	28
306.2 Policy Provisions	29
306.3 Mutual Waivers.....	30
307. Developer's Indemnity; Agency Indemnity	30
308. Rights of Access.....	30
309. Compliance with Governmental Requirements	31
309.1 Nondiscrimination in Employment.....	31
310. Release of Construction Covenants	31
311. Financing of the Developer Improvements.....	32
311.1 Approval of Financing	32
311.2 Holder Not Obligated to Construct Developer Improvements	32
311.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.....	32
311.4 Failure of Holder to Complete the Construction of the Developer Improvements	33
311.5 Right of the Agency to Cure Mortgage or Deed of Trust Default.....	33
400. COVENANTS AND RESTRICTIONS	34
401. Covenant to Develop, Use and Operate the Site in Accordance with Redevelopment Plan, Land Use Approvals, and this Agreement	34
402. Maintenance and Security Covenants	34
403. Nondiscrimination.....	34
404. Assessed Value.....	36
405. Prevailing Wages	36
406. Point of Sale and/or Use.....	36
407. Agency Use of Hotel Facility.....	37
408. Effect of Violation of the Terms and Provisions of this Agreement.....	37
409. Upper Upscale Hotel Covenant Consideration	37
410. Limited Service Hotel Covenant Consideration.....	38
411. Sunbelt Property Covenant Consideration	38
412. Allocation of Covenant Consideration.....	38
500. DEFAULTS AND REMEDIES	38
501. Default Remedies	38
502. Institution of Legal Actions	39
503. Re-entry and Revesting of Title in the Agency After the Closing and Prior to Completion of Construction.....	39
504. Rights and Remedies Are Cumulative	41
505. Inaction Not a Waiver of Default.....	41
506. Applicable Law	41

TABLE OF CONTENTS
(Continued)

	Page
600. GENERAL PROVISIONS	41
601. Notices, Demands and Communications Between the Parties.....	41
602. Extension of Times of Performance.....	42
603. Non Liability of Officials and Employees of Agency, City and Developer	43
604. Relationship Between Agency and Developer.....	43
605. Agency Approvals and Actions	43
606. Commencement of Agency Review Period	43
607. Successors and Assigns.....	43
608. Assignment by Agency	43
609. Counterparts	43
610. Integration	44
611. Attorneys' Fees.....	44
612. Administration.....	44
613. Titles and Captions.....	44
614. Interpretation	44
615. No Waiver	44
616. Modifications	44
617. Severability	45
618. Computation of Time	45
619. Legal Advice.....	45
620. Time of Essence	45
621. Cooperation.....	45
622. Conflicts of Interest.....	45
623. Time for Acceptance of Agreement by the Agency.....	45
624. Consideration of Agreement Modification	46
625. Recordation of Memorandum of Agreement.....	46

LIST OF EXHIBITS

- EXHIBIT A SITE MAP
- EXHIBIT B LEGAL DESCRIPTION
- EXHIBIT C SCOPE OF DEVELOPMENT
- EXHIBIT D SCHEDULE OF PERFORMANCE
- EXHIBIT E ASSIGNMENT AND ASSUMPTION AGREEMENT
- EXHIBIT F GRANT DEED
- EXHIBIT G RELEASE
- EXHIBIT H RIGHT OF ENTRY
- EXHIBIT I PREVAILING WAGE AND PUBLIC WORKS REQUIREMENTS
- EXHIBIT J CONCEPTUAL SITE PLAN
- EXHIBIT K MEMORANDUM OF AGREEMENT
- EXHIBIT L PRE-APPROVED HOTEL BRAND, RESTAURANT
TENANT(S)/OPERATOR(S)
- EXHIBIT M COVENANT CONSIDERATION COMPUTATION

DISPOSITION AND DEVELOPMENT AGREEMENT

This **DISPOSITION AND DEVELOPMENT AGREEMENT** (this "Agreement") dated for purposes of identification only as of June __, 2011 (the "Date of this Agreement"), is entered into by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic (the "Agency"), and **LAND & DESIGN, INC.**, a California corporation (the "Developer").

RECITALS

A. The Redevelopment Plan for the Garden Grove Community Project was approved and adopted by the City Council of the City of Garden Grove by Ordinance No. 1339, as amended by Ordinance Nos. 1388, 1476, 1548, 1576, 1642, 1699, 1760, 2035 and 2232; said ordinances and the Redevelopment Plan as so approved and amended (the "Redevelopment Plan") are incorporated herein by reference. The property within the geographical boundaries of the Redevelopment Plan are described in the Redevelopment Plan and are referred to as the "Project Area."

B. The property which is the subject of this Agreement is approximately five acres (5) acres located within the boundaries of the Project Area and is comprised of certain property owned by the Agency ("Agency Property") and property currently owned by third parties ("Third Party Property"). The Agency Property and Third Party Property are shown on the Site Map (Exhibit A) and legally described in the Legal Description (Exhibit B) (the "Site").

C. The Developer has proposed a hotel with approximately nineteen (19) stories and between three hundred (300) and four hundred rooms (400), including not less than ten thousand (10,000) square feet of meeting space (collectively, the "Upper Upscale Hotel"), as well as a minimum of ten thousand (10,000) and a maximum of sixty-five thousand (65,000) square feet of retail/restaurant/entertainment, including one (1) or more restaurants (the "Retail/Restaurant/Entertainment Component"), a Parking Structure, all as more specifically described in the Scope of Development (Exhibit C), and such other improvements as may be required by the Land Use Approvals (collectively, the "Upper Upscale Hotel Component"). In addition, Developer has also proposed up to two (2) Limited/Select/Focus Service/Suites/Extended Stay type hotels (collectively, the "Limited Service Hotels" and each a "Limited Service Hotel"), consisting of approximately 125 – 200 rooms each. The Limited Service Hotels are more specifically described in the Scope of Development. The Upper Upscale Hotel, the Limited Service Hotels, Retail/Restaurant/Entertainment Component, Parking Structure, and the other improvements required to be constructed on the Site pursuant to this Agreement and the Land Use Approvals are collectively referred to herein as the "Developer Improvements" or "Project," and individually "Separate Component(s)."

D. The Agency and the Developer desire by this Agreement, and subject to its terms and provisions, (1) to provide for the Agency, (a) to sell the Site to the Developer in accordance with the terms contained herein, (b) to pay the Covenant Consideration, (c) to accommodate, if economically feasible and legally permissible, the financing of the Parking Facility, and (d) to

construct the Agency Improvements, and (2) for the Developer (a) to purchase the Site, and (b) to construct and operate the Developer Improvements.

E. The development and operation of the Project on the Site, as provided in this Agreement, is in the vital and best interest of the City and the welfare of its residents and is in accordance with the public purposes and provisions of applicable state and local laws. Without limiting the foregoing, development and operation of the Project will result in substantial benefits to the City and Agency, which includes (i) elimination of blight, (ii) job creation and enhanced revenues to the City resulting from construction and operation of the Project, including property taxes, sales taxes, and transient occupancy taxes, (iii) enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in the City as a result of additional attractions and high-quality retail shopping and dining opportunities, and (iv) additional high-quality entertainment, restaurant and retail opportunities for the residents of Garden Grove and the surrounding area(s).

NOW, THEREFORE, the Agency and the Developer hereby agree as follows:

100. INTRODUCTORY PROVISIONS

101. **Definitions.** Capitalized terms within this Agreement shall have the meanings set forth below, or if not defined in this Section 101, shall have the meaning ascribed thereto when such terms are first used herein:

"Agency" means the Garden Grove Agency for Community Development, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law, and any assignee or successor to its rights, powers and responsibilities.

"Agency Director" means the executive director of the Agency, or his designee.

"Agency Improvements" is defined in Section 301.2.

"Agency Improvement Costs" is defined in Section 301.2.

"Agency Property" means that certain property shown as Agency Property on the Site Map and described in the Legal Description.

"Agency's Conditions Precedent" is defined in Section 205.1.

"Agreement" means this Disposition and Development Agreement by and between the Agency and Developer, including all exhibits.

"ALTA Policies and Endorsements" is defined in Section 203.

"Amendment/Estoppel Costs" is defined in Section 621.

"Applicable Covenants Consideration Period" means, with respect to any portion of the Site and/or Developer Improvements, the period during which any of the Covenants

Consideration with respect to the applicable portion of the Site and/or Developer Improvements is required to be paid pursuant to Sections 409, 410, and 411 hereof.

"Assignment and Assumption Agreement" is attached hereto as Exhibit E and incorporated herein by reference.

"Breach" is defined in Section 501.

"CFD" means a community facilities district formed pursuant to Mello-Roos Community Facilities Act of 1982 (Government Code §§ 53311 *et seq.*).

"CFD Bonds" means bonds issued by a CFD.

"CFD Financing" is defined in Section 301.3.

"City" means the City of Garden Grove, a California municipal corporation.

"Closing" or *"Close of Escrow"* is defined in Section 201.5.

"Closing Date" is the date upon which conveyance of the Site is consummated in accordance with Section 201.5 hereof.

"CLTA Policy" is defined in Section 203.

"Commence Construction" or *"Commencement of Construction"* means the commencement of construction of the applicable portion of the Developer Improvements pursuant to a validly issued building permit, it being agreed that the pouring of foundations for such portion of the Developer Improvements constitutes commencement of construction thereof (without limiting other indicia of such commencement).

"Community Redevelopment Law" means California Health and Safety Code Sections 33000, *et seq.* as the same now exists or may hereafter be amended.

"Completion of Construction" or *"Complete(s) Construction"* or *"Completed Construction"* or *"Completing Construction"* means the completion of construction of the Developer Improvements, or any applicable Phase thereof, as evidenced by a final Certificate of Occupancy issued by the City, certification by the Project Architect and the Agency Director that the Developer Improvement are complete in accordance with the Construction Drawings and, in the case of a Hotel, the Hotel and all its rooms are open and available to the public.

"Conceptual Site Plan" is attached hereto as Exhibit J and incorporated herein by reference and generally depicts the proposed development and use of the Site, as the same may be hereafter modified as provided in this Agreement.

"Conditions Precedent" shall mean the Agency's Conditions Precedent and Developer's Conditions Precedent set forth in Section 205.

"Conditions Precedent to Third Party Acquisition" is defined in Section 201.2

"Construction Commencement Date" means, with respect to each Hotel, the date that is set forth in the Schedule of Performance as the date upon which the Commencement of Construction of such Hotel is to occur.

"Construction Drawings" is defined in Section 302.

"Construction Financing" is defined in Section 311.1 hereof.

"Construction Lender" is defined in Section 311.

"Conveyance" means the conveyance of the Site to the Developer by Grant Deed.

"Cost of the Agency Improvements" means the actual and direct costs of the Agency Improvements.

"Cost Reimbursement Deposit" is defined in Section 201.3.

"Covenants" means the covenants, obligations and promises of Developer hereunder, including without limitation the covenants, obligations and promises set forth in Section 102.2, 103, 204.2, 204.3, 304 through 309, inclusive, 400, 503 and 603, which Covenants shall survive the Closing, run with the land and be binding upon heirs, successors and assigns of Developer.

"Covenants Consideration" means, collectively, the aggregate amounts to be paid to Developer pursuant to Sections 409, 410, 411 and 412 hereof.

"Covenants Consideration Computation Example" is attached hereto as Exhibit M and incorporated herein by reference.

"Date of this Agreement" means the date of approval of the Agreement by the Agency.

"Declaration" means a Declaration of Covenants, Conditions and Restrictions which will be entered into by the parties prior to Closing which Declaration shall address the management, operation, rules of conduct, security and access rights and other easements with respect to the Project.

"Default" is defined in Section 501.

"Deposit" is defined in Section 201.3.

"Developer" means Land & Design, Inc., a California corporation, and any affiliate, assignee or successor thereto permitted pursuant to the terms of this Agreement. As of the date of this Agreement, Matthew Reid and David Rose have, in the aggregate, (i) at least a fifty-one percent (51%) ownership interest in Land & Design, Inc., and (ii) subject to the customary rights of other non-managerial members, partners or shareholders, as applicable, operational and managerial control of Developer and, subject to Section 103 hereof, will retain same until the issuance of Release of Construction Covenants.

"Developer Improvements" means the Phase 1 Developer Improvements and so much of the Phase 2 Developer Improvements as Developer elects, in Developer's sole discretion, to develop (and without the obligation to develop the same), each as generally described in Recital C above and more particularly described herein and in the Scope of Development.

"Developer Parties" means collectively Developer, Matthew Reid and David Rose.

"Developer/Agency Request" is defined in Section 621.

"Developer's Conditions Precedent" is defined in Section 205.2.

"Development Agreement" means a development agreement pursuant to Government Code Section 65864 *et seq.*

"Due Diligence Date" means ninety (90) days following the later of (a) Date of this Agreement or (b) the date the Agency has fee title to all of the Site.

"Enforced Delay" is defined in Section 602.

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC §§ 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 USC §§ 1801 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended (42 USC §§ 6901 *et seq.*), the Toxic Substances Control Act (15 USC §§ 2601 *et seq.*), the Insecticide, Fungicide, Rodenticide Act (7 USC §§ 136 *et seq.*), the Superfund Amendments and Reauthorization Act (42 USC §§ 6901 *et seq.*), the Clean Air Act (42 USC §§ 7401 *et seq.*), the Safe Drinking Water Act (42 USC §§ 300f *et seq.*), the Solid Waste Disposal Act (42 USC §§ 6901 *et seq.*), the Surface Mining Control and Reclamation Act (30 USC §§ 1201 *et seq.*), the Emergency Planning and Community Right to Know Act (42 USC §§ 11001 *et seq.*), the Occupational Safety and Health Act (29 USC §§ 655 and 657), the California Underground Storage of Hazardous Substances Act (Health and Safety Code §§ 25280 *et seq.*), the California Hazardous Substances Account Act (Health & Safety Code §§ 25300 *et seq.*), the Porter-Cologne Water Quality Act (Water Code §§ 13000 *et seq.*), together with any amendments of or regulations promulgated thereunder and any other federal, state, and local laws, statutes, ordinances, or regulations now in effect that pertain to occupational health or industrial hygiene.

"Escrow" is defined in Section 201.5.

"Escrow Agent" is defined in Section 201.5.

"Franchisor" is defined in Section 103.6.

"Franchise Agreement" is defined in Section 103.6.

"Governmental Requirement(s)" means all valid and enforceable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, the City or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Agency, the Developer or

the Site, including, without limitation, all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation (to the extent applicable), Labor Code Sections 1770 *et seq.*, the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

"Grant Deed" means a grant deed in the form of Exhibit F attached hereto and incorporated herein by reference, by which the Agency shall convey fee title to the Site to Developer.

"Hazardous Materials" means any toxic substance, material, or waste which is now regulated by any local governmental authority, the State of California, or the United States Government under any Environmental Law including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) a petroleum or refined petroleum product, including without limitation petroleum-based paints and solvents, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether (MTBE); (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (x) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1317), (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, (xii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*, (xiii) any flammable or explosive materials, (xiv) a radioactive material, or (x) lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds and including any different products and materials which have been found to have adverse effects on the environment or the health and safety of persons.

"Holder" is defined in Section 311.2.

"Hotel(s)" means the Upper Upscale Hotel and, if constructed, the Limited Service Hotels, and **"Hotel"** means any one (1) of the Upper Upscale Hotel and the Limited Service Hotels.

"Hotel Operator" is defined in Section 103.6.

"Indemnify" means indemnify, defend, pay for and hold harmless.

"Indemnitees" means the Agency and the City, and their respective representatives, officers and employees.

"Insurance" is defined in Section 306 *et seq.*

"Land Use Approvals" is defined in Section 303.

"Legal Description" means the legal description of the Site attached hereto as Exhibit B and incorporated herein by reference.

"Liabilities" means liabilities, suits, actions, claims, demands, penalties, damages (including without limitation, penalties, fines, and monetary sanctions), giving rise to losses, costs or expenses (including, without limitation, consultants' fees, and reasonable attorneys' fees) of any kind or nature and for any damages, including damages to property or injuries to person, including accidental death, (including reasonable attorneys' fees and costs in connection therewith).

"Limited Service Hotels" is defined in Recital C above, and, subject to Section 301.1 hereof, the minimum standards for which are described therein and in Section 301.1 and in Scope of Development. **"Limited Service Hotel"** means one of the Limited Service Hotels.

"Loan Balance" means, with respect to any Holder and its mortgage or deed of trust, the sum of the following amounts: (a) the aggregate unpaid amount (including, but not limited to, principal, protective advances, interest, fees, costs and expenses) owing to the Holder under the loan documents ("Holder Loan Documents") secured by such Holder's mortgage or deed of trust upon the Site (or any part thereof) immediately prior to the revesting of title in Agency (referred to herein as "Revesting") in accordance with this Agreement, whether Agency exercises such right of Revesting prior to such Holder's acquisition of Site (or portion thereof) by foreclosure or deed in lieu of foreclosure, or after completion of a foreclosure under such Holder's mortgage or deed of trust (or acceptance and recordation of a deed-in-lieu of such foreclosure); plus (b) all third party costs and expenses reasonably incurred by such Holder (and/or such Holder's Nominee) under, or in connection with the enforcement of the applicable Holder Loan Documents, including, without limitation, foreclosure costs and expenses (or deed-in-lieu of foreclosure costs and expenses) (such costs and expenses to include, but not be limited to, title charges, default interest, appraisals, environmental assessments and reasonable attorneys' fees and expenses); plus (c) if Agency commences the exercise of its Revesting after such Holder's (or its Nominee's) acquisition of the Site (or any portion thereof) by foreclosure or deed-in-lieu of foreclosure, all third party costs and expenses, if any, reasonably incurred by such Holder (and/or such Holder's Nominee) in connection with the management and operation of the Site subsequent to the date upon which a foreclosure under such mortgage or deed of trust is completed [or such Holder or its Nominee accepts a deed in lieu of foreclosure]; plus (d) all third party costs and expenses reasonably incurred by such Holder (and/or such Holder's Nominee) in connection with the construction, Developer Improvements (including tenant improvements), restoration, repair and equipping of the Site (or any portion thereof); plus (e) if Agency commences the exercise of its right of Revesting after such Holder's (or its Nominee's)

acquisition of the Site (or any portion thereof) by foreclosure or deed-in-lieu of foreclosure, an amount equal to the interest that would have accrued on the aggregate of the amounts described above under the Holder Loan Documents had all such amounts become part of the debt secured by such Holder's mortgage or deed of trust and had such debt continued in existence from the date of such foreclosure (or acceptance of a deed-in-lieu of foreclosure) by such Holder or its Nominee to the date the Revesting occurs and Agency reenters in accordance with this Agreement. (For purposes of this definition, the Agency's right to Revest in accordance with this Agreement shall not be deemed to have occurred prior to the date the Loan Balance is paid to the Holder (or its Nominee) in accordance with the Agreement). Each Holder (or its Nominee) shall provide Agency with its calculations of the Loan Balance and documents in support thereof within ten (10) days after written demand therefore by the Agency.

"Memorandum of Agreement" is attached hereto as Exhibit K and incorporated herein by reference.

"Negotiated Purchase Agreement" is defined in Section 201.1.

"Net Tax Increment Revenues" means seventy percent (70%) of the Tax Increment Revenues.

"Nominee" means an entity which is owned and controlled by any Holder.

"Notice" is defined in Section 601.

"Official Records" means the official records of the Office of the Registrar Recorder of Orange County, California.

"Parcel(s)" means one or more of the parcels into which the Site is divided pursuant to the Parcel Map.

"Parcel Map" means a parcel map, lot line adjustment and/or other subdivision in compliance with all applicable laws, creating five (5) or more separate legal parcels (with each of the Hotels, the Parking Structure and the Retail/Restaurant/Entertainment Component (and/or individual pads within the Retail/Restaurant/Entertainment Component) to be located on separate legal parcels) to the extent and in size and location required by Developer and approved by the Agency acting in its reasonable discretion.

"Parking Structure" is the multi-level parking structure described in the Scope of Development.

"Permitted Transferee[s]" is defined in Section 103.2.

"Phase" means the Phase 1 Developer Improvements or the Phase 2 Developer Improvements, as applicable.

"Phase 1 Developer Improvements" means the Retail/Restaurant/Entertainment Component, the Parking Structure plus (i) an Upper Upscale Hotel consisting of not less than 400 rooms, or (ii) an Upper Upscale Hotel of 300 or more rooms plus not less than one (1)

additional Hotel of not less than one hundred twenty-five (125) rooms, or (iii) two (2) Upper Upscale Hotels consisting in the aggregate of not less than four hundred fifty (450) rooms.

"Phase 2 Developer Improvements" means the Developer Improvements that are not included in the Phase 1 Developer Improvements.

"Phase 1 Environmental Assessment" means an assessment to identify Recognized Environmental Concerns defined under ASTM Standards E-1527-00 as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, past release, or material threat of a release of any hazardous substance or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property.

"Phase II Environmental Assessment" means an evaluation of the Recognized Environmental Concerns identified in the Phase I Environmental Site Assessment for the purpose of providing sufficient information regarding the nature and extent of contamination.

"Pre-Approved Limited Service Flag(s)/Operator(s)" is attached hereto as Exhibit L and incorporated herein by reference.

"Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s)" is attached hereto as Exhibit L and incorporated herein by reference.

"Pre-Approved Upper-Upscale Flag(s)/Operator(s)" is attached hereto as Exhibit L and incorporated herein by reference.

"Presence" means the presence, release, use, generation, discharge, storage and disposal of any Hazardous Materials.

"Prevailing Wage and Public Works Requirements" are attached hereto as Exhibit I and incorporated herein by reference.

"Project" means the development and operation of the Developer Improvements.

"Project Architect" means the architect retained by the Developer to prepare the Construction Drawings and supervise construction of the Project.

"Project Area" is defined in Recital A.

"Recognized Environmental Concerns" means the presence or possible presence of any hazardous substances or petroleum products on the Site under conditions that indicate an existing or possible release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the Site or into the ground, ground water, or surface water of the Site. The term is not intended to include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not Recognized Environmental Conditions.

"Redevelopment Plan" is defined in Recital A.

"Release of Construction Covenants" means the document which evidences Developer's satisfactory Completion of Construction of the Developer Improvements, or a part thereof, as set forth in Section 310, in the form of Exhibit G attached hereto and incorporated herein by reference.

"Remaining Revenues" is defined in Section 4.09(b).

"Retail/Restaurant/Entertainment Component" is defined in Recital C and, as provided therein, means the retail/restaurant/entertainment portion of the Upper Upscale Hotel, consisting of a minimum of ten thousand (10,000) square feet and a maximum of sixty-five thousand (65,000) square feet, including at least one (1) restaurant, as shown on the Conceptual Site Plan.

"Revesting" is defined in the definition of "Loan Balance."

"Right of Entry" is described in Section 204 hereof and attached hereto as Exhibit H and incorporated herein by reference.

"Sales Tax Revenue" means the sales tax received by the City pursuant to the Bradley-Burns Uniform Sales and Use Tax Law (Revenue Code Sections 7200 *et seq.*) with respect to applicable Separate Components.

"Separate Components of the Developer Improvements" means each Hotel, the Retail/Restaurant/Entertainment Component and the Parking Structure, and/or the separate parcels comprising each.

"Schedule of Performance" means that certain Schedule of Performance attached hereto as Exhibit D and incorporated herein by reference, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time due to the application of Section 602 hereof and as set forth therein or as otherwise mutually agreed upon in writing between Developer and the Agency Director, and the Agency Director is authorized to make such revisions as he deems reasonably necessary.

"Scope of Development" means that certain Scope of Development attached hereto as Exhibit C, which describes the scope, amount and quality of development of the Developer Improvements to be completed by Developer and Agency Improvements to be completed by Agency pursuant to the terms and conditions of this Agreement.

"Site" means, collectively, the Agency Property and Third Party Property.

"Site Condition" is defined in Section 204.2.

"Site Map" means the map of the Site which is attached hereto as Exhibit A and incorporated herein by reference.

"State" means the State of California.

"Sunbelt Property" is that certain Third Party Property as shown on the Site Map. Agency has a right to lease the Sunbelt Property and is willing to assign that lease to Developer hereunder at the Closing pursuant and subject to Section 201.

"Tax Increment Revenues" means the total amount of taxes allocated to and received by the Agency pursuant to Health & Safety Code Section 33670(b) with respect to the applicable Separate Component(s).

"Tenant(s)" mean the tenant(s) of the Retail/Restaurant/Entertainment Component.

"Third Party Property" means that certain property shown on the Site Map as Third Party Property and owned by third parties, the legal descriptions and assessor parcel numbers of which are set forth on Exhibit B attached hereto. Without limiting the foregoing, Developer shall have the right to elect to have the Sunbelt Property constitute a portion of the Third Party Property for purposes of this Agreement, as provided in and pursuant to Section 201.

"Title Company" is defined in Section 202 hereof.

"TID Assessment" means an assessment pursuant to the Property and Tourist Improvement which was formed December 13, 2010 by the City of Garden Grove and the City of Anaheim to fund the marketing of the Anaheim/Orange County Visitors and Convention Bureau and other Anaheim Resort improvements.

"Title Policies" means the CLTA Policy and the ALTA Policies and Endorsements as defined in Section 203 hereof.

"Title Report" is defined in Section 202.

"Transfer" means any total or partial sale, transfer, conveyance, assignment, subdivision, financing, refinancing, lease or sublease of the Site or any portion thereof.

"Transferee" means a voluntary or involuntary successor in interest to the Developer.

"Transient Occupancy Tax Revenues" means those revenues imposed and collected by the City with respect to the Hotel pursuant to Section 3.12.010 of the Garden Grove Municipal Code.

"Upper Upscale Hotel Component" is defined in Recital C and includes the Upper Upscale Hotel, the Retail/Restaurant/Entertainment Component, the Parking Structure and such improvements as may be required by the Land Use Approvals.

"Upper Upscale Hotel" is defined in Recital C above and, as provided therein, means a Hotel, the minimum standards for which are described therein and in Section 301.1 and the Scope of Development.

102. Representations, Warranties and Covenants.

102.1 Agency Representations Warranties and Covenants. The Agency hereby makes the representations, warranties and covenants contained below in this Section 102.1. All of

the representations and warranties set forth in this Section 102.1 are effective as of the Date of this Agreement, are true in all material respects as of the Date of this Agreement, and shall be true in all material respects as of the Closing Date, and each shall survive the execution of this Agreement without limitation as to time.

(a) The Agency is a public body, corporate and politic, validly created and existing pursuant to the Community Redevelopment Law, which has been authorized to transact business pursuant to action of the City. The execution and delivery of this Agreement by the Agency has been fully authorized by all requisite actions.

(b) The Agency's execution and delivery of this Agreement does not violate any applicable laws, regulations, or rules nor to the best of Agency's knowledge after due inquiry, will it constitute a breach or default under any contract, agreement, or instrument to which the Agency is a party, or any judicial or regulatory decree or order to which the Agency is a party or by which it is bound; provided however that while Agency believes this Agreement to be enforceable in accordance with its terms, Agency makes no representations or warranties regarding the enforceability hereof.

(c) The Agency has not made an assignment for benefit of creditors, filed a petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of or trustee for it or any substantial part of its property, or commenced any proceeding relating to the Agency under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect. There has not been commenced nor is there pending against the Agency any proceeding of the nature described in the first sentence of this subsection (c). No order for relief has been entered with respect to the Agency under the Federal Bankruptcy Code.

(d) All documents, instruments and other information delivered by the Agency to Developer pursuant to this Agreement, other than documents, instruments and other information received by Agency from third parties, are, to the best of Agency's knowledge, true, accurate, correct and complete in all material respects.

(e) The Agency has taken all legally required actions, and no further consent, approval, or authorization of any third person is required with respect to the Agency's execution delivery, and performance of this Agreement, other than consents, approvals, and authorizations which have already been unconditionally given.

(f) Contingent upon the acquisition of the Third Party Property, the Agency has or will have at the Closing, full right, power and lawful authority to grant, sell and convey the Third Party Property as provided herein.

(g) The Agency is not a "foreign person" within the parameters of Foreign Investors in U.S. Real Property Tax Act ("FIRPTA"), or is exempt from the provisions of FIRPTA, or the Agency has complied and will comply with all the requirements under FIRPTA.

(h) Until the Closing Date and thereafter, the Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 102.1 not to be true as of the Closing Date, give written notice of such fact or condition to Developer as soon as is reasonably practicable.

Each of the foregoing items (a) through (h), inclusive shall be deemed to be ongoing representations, warranties and covenants.

102.2 Developer's Representations, Warranties and Covenants. Developer hereby makes the representations, warranties and covenants contained below in this Section 102.2. All of the representations and warranties set forth in this Section 102.2 are effective as of the Date of this Agreement, are true in all material respects as of the Date of this Agreement, and shall be true in all material respects as of the Closing Date, and each shall survive the execution of this Agreement without limitation as to time.

(a) Developer is a duly organized California corporation and in good standing under the laws of the State of California and is authorized to carry on its business in California as such business is now conducted and to own and operate its properties and assets now owned and being operated by it, and as set forth in and anticipated by this Agreement. Developer has full right, power and lawful authority to enter into this Agreement and the execution and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of Developer. Developer has provided the Agency with true and correct copies of documentation reasonably acceptable to the Agency Director, or his/her designee, designating the party authorized to execute this Agreement on behalf of Developer.

(b) Developer's execution, delivery and performance of its obligations under this Agreement will not violate any applicable laws, regulations, or rules nor to the best of Developer's knowledge after due inquiry, will it constitute a breach or default under any contract, agreement, or instrument to which Developer is a party, or any judicial or regulatory decree or order to which Developer is a party or by which it is bound.

(c) Developer has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of or trustee for it or any substantial part of its property, or commenced any proceeding relating to Developer under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect. There has not been commenced nor is there pending against Developer any proceeding of the nature described in the first sentence of this subsection (c). No order for relief has been entered with respect to Developer under the Federal Bankruptcy Code.

(d) All documents, instruments, and other information delivered by Developer to the Agency pursuant to this Agreement are, to the best of Developer's knowledge, true, accurate, correct and complete in all material respects.

(e) This Agreement and all documents to be delivered by Developer pursuant to this Agreement, when executed by Developer and delivered, shall constitute the legal, valid and binding obligation of Developer. The Developer has taken all legally required actions, and no further consent, approval, or authorization of any third person is required with respect to the Developer's execution delivery, and performance of this Agreement, other than consents, approvals, and authorizations which have already been unconditionally given.

(f) Until the Closing Date and thereafter, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this

Section 102.2 not to be true as of the Closing Date, immediately give written notice of such fact or conditions to the Agency.

Each of the foregoing items (a) to (f), inclusive shall be deemed to be ongoing representations, warranties and covenants.

102.3 Agency and Developer Representation Re Authority and Enforceability. Agency and Developer hereby covenant, represent and warrant to each other that neither will assert the lack of authority or enforceability of this Agreement against the other.

103. Transfers of Interest in Site or Agreement.

103.1 Prohibition Against Transfer Prior to Release of Construction Covenants. The qualifications and identity of Developer are of particular concern to the Agency. It is because of those qualifications and identity that the Agency has entered into this Agreement with Developer. Except as expressly set forth in Section 103.2 below, for the period commencing upon the Date of this Agreement and until the issuance of the Release of Construction Covenants, no Transferee shall acquire any rights or powers under this Agreement, nor shall Developer make any Transfer, of the whole of the Site or any part, or the Developer Improvements without the prior written approval of the Agency, which approval may be granted or withheld in the sole and absolute discretion of the Agency. Following the issuance of the Release of Construction Covenants, any Transfer shall be governed by Section 103.3. Agency and Developer hereby acknowledge that, subject to Section 103.2 below, Developer likely will form separate legal entities to own and develop the separate components (i.e., each Hotel, the Parking Structure, the separate pads comprising the Retail/Restaurant/Entertainment Component, etc.) of the Developer Improvements.

103.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, both before and after the issuance of the Release of Construction Covenants, the Agency approval of an assignment of this Agreement or Transfer of the Site (or any portion thereof), shall not be required in connection with any of the following (each of which shall be "Permitted Transfer"):

(a) The conveyance or dedication of any portion of the Site to the City, Agency or other appropriate governmental agency, or for the purpose of the granting of easements, permits or similar rights to facilitate construction, use and/or operation of the Developer Improvements.

(b) Any Transfer for Construction Financing purposes (subject to such Construction Financing being in compliance with Section 311.1 herein), including the grant of a deed of trust to secure the funds necessary for land acquisition, construction and permanent financing of the Developer Improvements, as applicable.

(c) Any collateral assignment of the Covenant Consideration for purposes of borrowing money to be used on the Project.

(d) Any Transfer to an entity in which (i) Developer and/or Matthew Reid and David Rose, or any combination thereof, retain operational control over the management, development and construction of the Developer Improvements (subject to the right of non-managerial members, partners, or shareholders, as applicable, to exercise voting rights with respect to

so-called "major decisions") and (ii) Developer and/or Matthew Reid and/or David Rose in the aggregate have not less than fifty-one percent (51%) ownership interest; provided, however, that a Transfer to an entity in which Matthew Reid and David Rose in the aggregate have not less than ten percent (10%) ownership interest, or the subsequent reduction of the ownership interest held by Matthew Reid and/or David Rose in any entity, shall be permitted without Agency's approval if such Transfer or reduction is required by an equity participant or joint venture partner as a condition to providing additional funds for the development of the Developer Improvements or applicable portion thereof.

(e) Any Transfer to a Holder, or its Nominee by foreclosure or deed in lieu of foreclosure, or to a third party purchaser at a foreclosure sale or after foreclosure by the Holder or its Nominee.

(f) Any Transfer to a lessee or sublessee of a portion of the Project that is incidental to the primary purpose of the Developer Improvements (by example only, and not as a limitation, lease of restaurant space), provided such lessee or sublessee is consistent with the overall purposes of the Development Improvements.

(g) Any Transfer of a separate legal parcel within the Site and the Hotel(s) thereon after the Applicable Covenants Consideration Period with respect thereto has expired.

103.3 Agency Consideration of Requested Transfer After Release of Construction Covenants. Subject to and in accordance with the provisions of this Section 103.3, and without limiting Developer's rights under Section 103.2 above, the Developer shall have the right, without the Agency's consent, to Transfer (i) the entire Site following issuance of a Release of Construction Covenants with respect to all of the Developer Improvements; and/or (ii) a specific Parcel and the Developer Improvements thereon following issuance of a Release of Construction Covenants with respect to such Parcel and Developer Improvements provided that such Developer Improvements are being operated as a Pre-Approved Upper-Upscale Flag(s)/Operator(s), a Pre-Approved Limited Service Flag(s)/Operator(s), or a Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s), as applicable. In the event of any other proposed Transfer following the issuance of a Release of Construction Covenants with respect to all of the Developer Improvements, Developer shall deliver written Notice to Agency requesting approval of such Transfer, which Notice shall be accompanied by sufficient evidence regarding the proposed Transferee's net worth, development and operational qualifications and experience, and its financial resources, in sufficient detail to enable the Agency to evaluate the proposed Transferee pursuant to the criteria set forth hereinbelow and as reasonably determined by the Agency. In this regard, and to the extent approval is required by this Section 103.3, the Agency agrees that it will not unreasonably withhold approval of a request of a Transfer made after the issuance of the Release of Construction Covenants with respect to the applicable portion of the Site. The Agency shall evaluate each proposed Transferee over which Agency has approval rights on the basis of its qualifications and experience, and its financial commitments and resources. Agency may not disapprove any such proposed Transferee that demonstrates to the reasonable satisfaction of the Agency that the transferee/assignee or its guarantor has a net worth sufficient to provide the prerequisite equity and access to debt offered by an institutional commercial real estate lender so as to permit the financing of the acquisition and operation of the Developer Improvements located on the applicable portion of the Site and transferee/assignee and/or its contract manager or the individual within the contract management

entity responsible for management of such Developer Improvements has at least ten (10) years recent experience owning or operating hotel/retail/restaurant projects similar to such Hotel(s).

103.4 Assignment and Assumption Agreement. An executed Assignment and Assumption Agreement (or a document effecting a Transfer that includes the substantive provisions of the Assignment and Assumption Agreement) shall also be required for all proposed Transfers prior to the expiration of the Redevelopment Plan with respect to the portion of the Site so transferred whether or not Agency's consent is required with respect to such Transfer. If the Transfer involves the obligation of the Transferee to construct specific Developer Improvements, Agency is hereby granted the right to compel Developer to enforce any such construction obligation. Upon the full execution of an Assignment and Assumption Agreement, the Transferee thereafter shall have all of the rights and obligations of the Developer under this Agreement with respect to the portion of the Site and the Developer Improvements Transferred thereto and/or developed thereby.

103.5 Agency Action Re Requested Transfer. Within thirty (30) days after the receipt of a written Notice requesting Agency approval of a Transfer pursuant to Sections 103.3 and 103.7, the Agency shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, the Agency reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to the Agency such further information as may be reasonably requested.

103.6 Initial Selection and/or Transfers with Respect to the Hotel Operator, Franchisor, and Tenants; Approval of the Franchise Agreement. The selection of the operator ("Hotel Operator") and brand or franchisor for a Hotel (the "Franchisor"), as well as the franchise agreement or management agreement between Franchisor and Developer for such Hotel (the "Franchise Agreement"), shall be subject to approval by the Agency, acting in its reasonable discretion and based on consistency with the quality of the Hotel as described in Section 301.1 and the Scope of Development both initially and until expiration of the Applicable Covenants Consideration Period for such Hotel. During the Applicable Covenants Consideration Period, Agency shall also have the right to approve, acting in its reasonable discretion, the Tenants based on consistency with the quality of the Hotel as required herein. Notwithstanding anything to the contrary contained herein, the Pre-Approved Upper-Upscale Flag(s)/Operator(s), Pre-Approved Limited Service Flag(s)/Operator(s) and Pre-approved Retail/Restaurant/Entertainment Tenant(s)/Operator(s) are each hereby approved by the Agency for all purposes of this Agreement.

103.7 Transfer of Covenant Consideration. Notwithstanding anything herein to the contrary (i) both before and after the issuance of the Release of Construction Covenants, except as to a collateral assignment described in Section 103.3(c), the approval of an assignment of the Covenant Consideration separate and apart from a Transfer of the Site or the corresponding part thereof (i.e., an assignment of the Covenant Consideration not in conjunction with the Transfer of the applicable portion of the Site and Hotel(s)), shall require the consent of the Agency which consent shall be granted or withheld in the absolute discretion of the Agency; and (ii) no separate or additional approval of an assignment of the applicable Covenant Consideration that is made in conjunction with a Transfer of the Site or the corresponding part thereof shall be required from the Agency.

200. DISPOSITION OF THE SITE

201. **Conveyance of the Site to Developer.** Subject to the satisfaction of the Conditions Precedent set forth hereinbelow, on or before the date set forth in the Schedule of Performance, but in no event later than the Outside Date, the Agency shall cause the Conveyance of the Site to Developer in the condition described in Sections 201.4, 204.2 and 301.2 and the Scope of Development in consideration for compliance with the terms and conditions of this Agreement and Developer shall accept Conveyance in accordance with the terms of this Section 201.

201.1 **Acquisition of Third Party Property by Negotiated Purchase.** Subject to the availability of funds, as determined in the absolute discretion of the Agency, the Agency agrees to use its commercially reasonable efforts to acquire by negotiation the Third Party Property, subject to the terms, covenants and conditions of this Agreement, and the Agency may enter into an agreement for the purchase of the Third Party Property (a "Negotiated Purchase Agreement") without further approval by Developer, provided Developer has approved the terms and conditions of the Negotiated Purchase Agreement as it relates to the title and condition of the property being acquired. Notwithstanding anything to the contrary contained herein, and if and as required by Developer, Agency shall assign the lease of the Sunbelt Property to Developer or sublease the Sunbelt Property to Developer, in each case on terms agreed upon by Agency and Developer within the Due Diligence Period. Notwithstanding the foregoing or any such assignment or sublease, Agency shall remain responsible for all (and Developer shall not be required to pay any) rental to be paid under the lease(s) of the Sunbelt Property or otherwise until such time as Developer commences the precise grading of the construction pads located on the Sunbelt Property. In addition, Agency acknowledges that Developer has informed Agency that Developer considers the rent to be paid under the lease between Agency and the owner of the Sunbelt Property to be substantially "above market", and Developer and Agency acknowledge and agree that Agency will remain responsible for and shall pay the difference between the rental amount Developer determines during the Due Diligence Period to be "market" for the Sunbelt Property and the amount that Agency agreed to pay under such lease.

201.2 **Acquisition of Third Party Property by Eminent Domain.** If the Agency's efforts to negotiate the purchase of the Third Party Property pursuant to Section 201.1 are unsuccessful, the Agency shall consider adoption of a resolution of necessity to acquire the Third Party Property by eminent domain. In no event shall the Agency's decision not to adopt a resolution of necessity to acquire the Third Party Property be considered a Default of the Agency's obligations under this Agreement, it being understood and acknowledged by the Developer that the Agency retains full and complete discretion with respect to the adoption of such a resolution. Subject to the provisions of this Agreement, if the Agency, in its discretion, adopts a resolution of necessity to acquire the Third Party Property, the Agency shall pursue to completion the acquisition of such Third Party Property through eminent domain (or settlement) as long as Developer is not in Default hereunder.

Notwithstanding any other provision of this Agreement to the contrary, if:

(a) The Agency provides to the Developer a copy of an effective, non-appealable order of prejudgment possession as to the Third Party Property for which fee title has not yet been acquired, free and clear of any other right of possession, together with a covenant in favor of Developer that Agency will not abandon the eminent domain action.

(b) The Agency delivers effective possession of the Third Party Property and the Title Company issues to the Developer (and Developer's Holder) the Title Policies provided for in Section 203 hereof (subject only to delivery to Title Company of an agreement mutually approved by Agency for Agency to indemnify Title Company as set forth in Section 204); and

(c) The right of possession of, and the covenant to vest all, subsequently acquired title to the Third Party Property conveyed by the Agency to the Developer is sufficient to allow Developer to close the Construction Financing without additional expense, interest or concessions and commence construction of the Developer Improvements;

then the Agency shall convey and the Developer shall, in such event, accept possession of the Third Party Property and the right to subsequently acquire title thereto, and the Developer shall proceed with the development of the Third Party Property in accordance with the Schedule of Performance, with the date of transfer of possession from the Agency to the Developer treated the same as the date for the Close of Escrow for purposes of the Developer's obligation to proceed with and complete construction of the Developer Improvements.

201.3 Consideration for Site. The consideration for the Conveyance will be the Developer's construction and operation of the Project in accordance with this Agreement, and its promise to otherwise be bound by the Covenants set forth herein; provided however, Developer has deposited with the Agency the sum of Fifty Thousand Dollars (\$50,000) ("Cost Reimbursement Deposit") which Cost Reimbursement Deposit the Agency may use to pay for costs incurred by Agency in connection with the implementation of the Agreement. Developer will be refunded the unexpended portion of the Cost Reimbursement Deposit in the event that Developer acquires the Site pursuant to this Agreement (in which case the unexpended portion of the Cost Reimbursement Deposit will be refunded to Developer upon the Commencement of the Phase 1 Developer Improvements) or this Agreement is terminated (in which case the unexpended portion of the Cost Reimbursement Deposit will be refunded to Developer upon the termination of this Agreement) other than due to a Default by Developer.

201.4 Condition of Site. EXCEPT AS SET FORTH IN SECTIONS 204 AND 301.2, DEVELOPER HAS AGREED TO ACCEPT POSSESSION OF THE SITE ON THE CLOSING DATE ON AN "AS IS" BASIS. AGENCY AND DEVELOPER AGREE THAT, SUBJECT TO SECTIONS 204 AND 301.2 HEREOF, THE PROPERTY SHALL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET OFF OR REDUCTION IN CONSIDERATION, AND, EXCEPT AS SET FORTH IN SECTIONS 204 AND 301.2 HEREOF, SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.

201.5 Opening and Close of Escrow. The Conveyance of the Site shall be consummated on the date ("Closing Date") set forth in the Schedule of Performance but in no event later than June 15, 2013 ("Closing" or "Close of Escrow"). The scheduled Closing of June 15, 2013, is an outside date, Section 602 notwithstanding, but is subject to extension as provided in the Schedule of Performance, through an escrow (the "Escrow") established at West Coast Escrow or another escrow company mutually agreeable to the parties (the "Escrow Agent") which Escrow shall be opened within thirty (30) days following the Date of this Agreement. Escrow Agent is hereby

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authorized to effect the Closing upon satisfaction of the Conditions to Closing set forth in Section 205 by taking the following actions:

(a) Current real property taxes, personal property taxes, and installments of assessments and all items of income (if any) and expense regarding the Site shall be prorated as of the Closing.

(b) Concurrently with the Closing of Escrow, Escrow Agent shall cause the Title Company to issue the Title Policy, as described in Section 203.

(c) Escrow Agent shall pay and charge: (i) Developer for the following: (aa) the recording cost of the Grant Deed and other closing documents, (bb) the premium for the CLTA Policy, (cc) the additional premium for the ALTA Policies and Endorsements (as hereinafter defined), if any, (dd) half of the escrow fees charged by the Escrow Agent, (ee) Developer's share of proration; and (ii) Agency for the following (ff) Agency's share of prorations, (gg) one-half (1/2) the cost of the CLTA Policy and (hh) any transfer taxes or fees.

(d) Escrow Agent shall record, in the following order, the following documents:

- (i) The Declaration;
- (ii) The Grant Deed; and
- (iii) The Memorandum of Agreement.

all duly executed and acknowledged by the appropriate party.

201.6 Submittal of Documents.

(a) At least two (2) days prior to the Close of Escrow, Developer shall execute and submit to Escrow Agent the following:

(i) Two (2) originals of a certificate of acceptance of the Grant Deed duly executed by Developer and acknowledged.

(ii) Two (2) originals of the Declaration and Memorandum of Agreement duly executed by Developer and acknowledged.

(iii) Any documents to be recorded as part of Developer's financing of the Project which Agency has approved in writing pursuant to Section 311, along with a request for notice of default executed by the Agency.

(b) At least two (2) days prior to the Close of Escrow, Agency shall execute and deliver to Escrow the following:

(i) Two (2) originals of the Grant Deed duly executed by Agency and acknowledged; and

(ii) Two (2) originals of the Declaration and Memorandum of Agreement duly executed by Agency and acknowledged.

201.7 Post-Closing Deliveries by Escrow.

(a) After the Close of Escrow, the Developer shall be delivered the following documents:

(i) The Grant Deed duly executed by the appropriate party or parties and recorded in the Official Records of Orange County.

(ii) A non-foreign affidavit in a form reasonably acceptable to Developer.

(iii) A conformed copy of the Declaration.

(iv) A conformed copy of the Memorandum of Agreement.

(b) After the Close of Escrow, Agency shall be delivered the following documents:

(i) A conformed copy of the recorded Grant Deed and this Agreement.

(ii) The recorded original of the Declaration.

(iii) The recorded original of the Memorandum of Agreement.

(iv) The recorded original of the request for notice of default.

(c) At Close of Escrow, the Agency and Developer shall each execute counterpart closing statements in customary form together with such other documents as are reasonably necessary to consummate the Closing.

201.8 Payment of Escrow Costs. At Close of Escrow, both parties shall pay their respective costs by wire transfer, or by cashier's check drawn on a bank reasonably acceptable to the Escrow Agent. In the event of termination of this Agreement prior to the Close of Escrow due to failure of a condition set forth in Section 205, the parties shall each be responsible for one-half of any Escrow cancellation costs. In the case of termination prior to the Close of Escrow due to a default by one of the parties hereto, such defaulting party shall pay one hundred percent (100%) of all Escrow Cancellation Costs.

202. Review of Title. Within ten (10) days after the Date of this Agreement, Agency shall cause First American Title Insurance Company, or another title company mutually agreeable to both parties (the "Title Company"), to deliver to Developer a preliminary title report (the "Title Report") with respect to the Site, together with legible copies of all documents underlying the exceptions ("Exceptions") set forth in the Title Report. Developer shall cause the preparation, at its cost and expense, of a ALTA Survey prepared by a California licensed surveyor (the "ALTA Survey"). Developer shall have thirty (30) days from its receipt of the Title Report and ALTA Survey within which to give written notice to Agency of Developer's approval or disapproval of any of such

Exceptions. No deeds of trust, mortgages or other liens (all of which shall be removed by Agency prior to Closing), except for the lien of property taxes and assessments not yet due, shall be approved Exceptions. If Developer notifies Agency of its disapproval of any Exceptions in the Title Report or ALTA Survey, Agency shall have thirty (30) days from Agency's receipt of such notification to advise Developer that it will use commercially reasonable efforts or provide assurances satisfactory to Developer that such Exception(s) will be removed on or before the Closing. If Agency does not provide assurances satisfactory to the Developer that such Exception(s) will be removed on or before the Closing, Developer shall have thirty (30) days after the expiration of such thirty (30) day period to either give the Agency written notice that Developer elects to proceed with the purchase of the Site subject to the disapproved Exceptions and conditions set forth in the ALTA Survey (and conditioned upon the issuance of any endorsements necessary to render title acceptable to Developer), or to give the Agency written notice that the Developer elects to terminate this Agreement in which event, the Agency and Developer shall each be responsible for one-half of any Escrow cancellation charges and neither Developer nor Agency shall have any further rights or obligations hereunder except as set forth in Section 307. The Developer shall have the right to approve or disapprove any Exceptions reported by the Title Company or conditions set forth on the ALTA Survey after Developer has approved the condition of title for the Property hereunder. The foregoing periods of time shall be reasonably extended if any updates in the Title Report are provided to Developer after Developer approval of the Exceptions. Agency shall not voluntarily create any new exceptions to title following the Date of this Agreement, except for the recordation of documents in connection with the Closing as required herein. The Developer shall assume all non-delinquent assessments and taxes not specifically disapproved as provided herein.

203. **Title Policy.** At the Closing, the Title Company, as insurer, shall issue in favor of Developer, as insured, a CLTA owner's standard coverage policy or policies of title insurance with endorsements, if any, as may be required in Section 202 hereof with liability in an amount equal to the value of the Site as determined by the parties prior to Closing but not to exceed Ten Million Dollars (\$10,000,000) ("CLTA Policy"), or, at Developer's option and expense, an ALTA extended policy of title insurance and/or lender's policy of title insurance with any endorsements and/or increased coverage amounts requested by Developer or its lender ("ALTA Policies and Endorsements") (collectively, the "Title Policies"), subject to the following:

- (a) All nondelinquent general and special real property taxes and assessments for the current fiscal year; and
- (b) If a CLTA policy is issued, the standard printed conditions and exceptions contained in the CLTA standard owner's policy of title insurance regularly issued by the Title Company.
- (c) The Redevelopment Plan.
- (d) The provisions of this Agreement, the Grant Deed and the Declaration.
- (e) Any Exceptions to title approved by Developer pursuant to Section 202.

The Title Policies shall be combined with a policy insuring the personal property (Eagle 9 policy from the Title Company) with tie-in endorsements to cover the full insurable cost of the Project paid for by Developer.

204. Studies, Reports.

204.1 Site Investigation. Representatives of the Developer and any prospective users, following execution of the Right of Entry Agreement, shall have the right of access to the Agency Property, and to the Third Party Property at such time, if ever, as Agency has the right of access to the Third Party Property, for the purpose of making necessary or appropriate inspections, including geological, soils and/or additional environmental assessments. If Developer determines that there are Hazardous Materials in, on, under or about the Site, including the groundwater, or that the Site is or may be in violation of any Environmental Law, or that the condition of the Site is otherwise unacceptable to Developer, then the Developer shall notify the Agency and Escrow Holder prior to the Due Diligence Date. Agency and Developer shall thereafter have thirty (30) days to negotiate an agreement with respect to remediation of the Site, pursuant to which Agency shall commit to expend up to Two Hundred Fifty Thousand Dollars (\$250,000) for Site remediation. If, at the end of such thirty (30) day period, Developer and Agency have not come to an agreement with respect to remediation of the Site, Developer shall, within three (3) days thereafter notify Agency of whether it elects to go forward with the acquisition of the Site and pay all remediation costs in excess of Two Hundred Fifty Thousand Dollars (\$250,000), or whether it elects to terminate this Agreement, in which event the Developer and Agency shall each be responsible for one-half of any Escrow cancellation charges and neither Developer nor Agency shall have any further rights or obligations hereunder except as set forth in Section 307.

204.2 As-Is Environmental Condition. Subject to the terms of this Agreement, if the Developer elects to proceed with Close of Escrow, the Site shall be conveyed to the Developer in an "as is" environmental condition, with no warranty, express or implied by the Agency, as to the condition of the Site, the soil, its geology, the Presence of known or unknown faults, the suitability of soils for the intended purposes or the presence of known or unknown Hazardous Materials or toxic substances.

204.3 Indemnities and Release Re Hazardous Material.

(a) **Developer Indemnity.** As of the Closing, Developer hereby agrees and hereby shall indemnify the Indemnitees from and against all Liabilities arising from, related in any respect to, or as a result of (i) the Presence of Hazardous Materials on the Site (excluding Public Streets) which Presence first occurred either before or after Close of Escrow, and (ii) the Presence of Hazardous Materials on the Site, which Hazardous Materials were not Hazardous Materials at the time of the Close of Escrow, but became Hazardous Materials after Close of Escrow as a result of an amendment to, or interpretation of, the Environmental Law; provided, that none of the same were directly and proximately caused by Agency or any of its agents, employees or contractors. Agency shall cooperate with Developer to ensure that Agency has assigned to Developer any and all rights that Agency acquired in its acquisition of the Site or any portion thereof to permit Developer's prosecution of claims against any third parties who are potentially responsible for such Hazardous Materials.

(b) **Developer Release.** As of the Closing, Developer agrees to and hereby shall release the Indemnitees from and against all Liabilities arising from, related in any respect to, or as a result of (i) the Presence of Hazardous Materials on the Site that first existed on the Site as of the Close of Escrow, but were discovered after Close of Escrow, and (ii) the Presence of Hazardous Materials on the Site, which Hazardous Materials were not identified and/or defined as such under the Environmental Laws at the time of Close of Escrow, but became Hazardous Materials

after Close of Escrow as a result an amendment to, or interpretation of, the Environmental Law. Notwithstanding the foregoing, Developer is not releasing any person or entity other than the Indemnitees.

205. Conditions to Closing. The Closing is conditioned upon the satisfaction of the following terms and conditions, which the parties shall exercise their best efforts to satisfy, within the times designated below:

205.1 Agency's Conditions Precedent. Agency's obligation to proceed with the Closing is subject to the fulfillment or waiver in writing by Agency of each and all of the conditions precedent (a) through (m), inclusive, described below ("Agency's Conditions Precedent"), which are solely for the benefit of Agency, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Default. Prior to the Close of Escrow, Developer shall not be in Default in any of its obligations under the terms of this Agreement.

(b) Execution of Documents. The Developer shall have executed any documents required hereunder and delivered such documents into Escrow.

(c) Payment of Funds. Prior to the Close of Escrow, Developer shall have paid all required costs of Closing into Escrow in accordance with Section 201.5 hereof.

(d) Land Use Approvals. The Developer shall have received all Land Use Approvals and a building permit shall have issued with respect to not less than the Phase 1 Developer Improvements.

(e) Insurance. The Developer shall have provided proof of insurance as required by Section 306 hereof.

(f) Financing. The Agency shall have approved the Construction Financing as defined in Section 311.1 hereof, for construction of not less than the Phase 1 Developer Improvements as provided in Section 311.1 hereof, and such Construction Financing shall have closed and funded or be ready to close and fund upon the Closing in substantial accordance with the commitment for Construction Financing.

(g) Declaration. The parties shall have mutually agreed upon the terms of the Declaration and the same shall be ready for recordation concurrently with the Close of Escrow.

(h) Agency's Acquisition of the Third Party Property. Agency has acquired the Third Party Property in accordance with Sections 201.1 and/or 201.2 hereof.

(i) Approval of Hotel Operator, Franchisor and Franchise Agreement. The Developer shall have provided Agency and, to the extent required by this Agreement, Agency shall have approved the Hotel Operator, Franchisor and a Franchise Agreement, which approval shall be granted if each comply with the terms of this Agreement, including without limitation, Section 301.1, and the Scope of Development.

(j) Pre-leasing and Approval of Tenant. Agency has approved the Tenant(s)/Operator(s) unless included in the list of Pre-approved Restaurant Tenant(s)/Operator(s). The Tenant(s) listed in Exhibit M are hereby approved.

(k) Hazardous Material Insurance. Agency and Developer shall have obtained or waived Hazardous Material Insurance pursuant to Section 204.4.

(l) Agency Improvements. Agency has determined, acting in its reasonable discretion, the cost of the Agency Improvements will not exceed Fifteen Million, Eight Hundred Thousand Dollars (\$15,800,000).

(m) Health & Safety Code Section 33445 Finding. The Agency and the City, each acting in its sole and absolute discretion, have adopted resolutions pursuant to Health & Safety Code Section 33445, approving the expenditure of funds for the infrastructure improvements required by Section 301.2.

205.2 Developer's Conditions Precedent. Developer's obligation to proceed with the Closing is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent (a) through (o), inclusive, described below ("Developer's Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Default. Prior to the Close of Escrow, Agency shall not be in default in any of its obligations under the terms of this Agreement.

(b) Execution of Documents. The Agency shall have executed the Grant Deed and any other documents required hereunder and delivered such documents into Escrow.

(c) Review and Approval of Title. Developer shall have reviewed and approved the condition of title of the Site, as provided in Section 202 hereof.

(d) Site Condition. Developer shall have determined, in its sole and absolute discretion, and advised Agency in writing that, to Developer's knowledge, the Site Condition is satisfactory in accordance with Sections 201.4, 204 and 301.2 hereof.

(e) Relocation, Demolition and Clearance of the Site. The Agency shall have relocated occupants and demolished and cleared the Site and removed all above ground structures located thereon and all substructures under existing buildings as required by Section 301.2. Notwithstanding anything to the contrary contained herein, this Condition Precedent shall not be deemed satisfied until such time as (i) any such relocation has been approved officially by the appropriate governmental authorities through duly authorized and appropriate action and all administrative appeals periods related thereto shall have expired, and (ii) if any litigation or administrative challenge of such relocation shall have been filed relating thereto, there has been a final non-appealable resolution of any such litigation or challenge affirming the validity of such action by the Agency.

(f) Title Policy. The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to provide to the Developer the Title Policy for the Site upon the Close of Escrow, in accordance with Section 203 hereof.

(g) Land Use Approvals. The Developer shall have received all Land Use Approvals and building permits shall have issued with respect to the Improvements required pursuant to Section 303 hereof.

(h) Financing. The Developer shall have obtained the Construction Financing as provided in Section 311.1 hereof, and such construction financing shall have closed and funded or to close and fund upon the Closing in accordance with the Construction Financing.

(i) Agency's Acquisition of the Third Party Property. Agency has acquired the Third Party Property in accordance with Sections 201.1 and/or 201.2 hereof.

(j) Adverse Conditions. No lawsuit (including by private parties), moratoria, or similar judicial or administrative proceeding or government action shall exist which would materially delay or significantly increase the cost of constructing the Agency Improvements.

(k) Approval of Hotel Operator, Franchisor and Franchise Agreement. The Developer shall have provided Agency and, to the extent required by this Agreement, Agency shall have approved the Hotel Operator, Franchisor and a Franchise Agreement, which approval shall be granted if each comply with the terms of this Agreement, including without limitation, Section 301.1.

(l) Pre-leasing and Approval of Tenant. Agency has approved the Tenant(s)/Operator(s) unless included in the list of Pre-approved Restaurant Tenant(s)/Operator(s).

(m) Declaration. The parties shall have mutually agreed upon the terms of the Declaration and the same shall be ready for recordation concurrently with the Close of Escrow.

(n) Development Agreement. Developer and City have executed a Development Agreement.

(o) Health & Safety Code Section 33445 Finding. The Agency and the City, each acting in its sole and absolute discretion, have adopted resolutions pursuant to Health & Safety Code Section 33445, approving the expenditure of funds for the infrastructure improvements required by Section 301.2.

300. DEVELOPMENT OF THE SITE

301. Scope of Development.

301.1 Improvements. Developer shall develop the Site in conformance with the Conceptual Site Plan, Land Use Approvals and the Scope of Development, within the time periods set forth in the Schedule of Performance. Once the Construction Drawings are approved by the Agency, as provided below, and the City, Developer's obligations under this Agreement with respect to Development Improvements shall be limited to ensuring that the Developer Improvements are constructed in accordance with the Construction Drawings. Developer shall improve the Site with the Developer Improvements. Notwithstanding anything to the contrary contained herein, Developer may elect to develop one (1) or both of the Limited Service Hotel(s) as an additional Upper Upscale Hotel (but consisting only of not less than one hundred fifty (150) rooms, 5,000 square feet of meeting space and a full-service restaurant and otherwise satisfying the hotel furniture, fixture and

equipment standards for an Upper Upscale Hotel set forth in Section I(B) of Exhibit C attached hereto), in which event the provisions of Section 409 hereof shall apply to such Hotel in lieu of the provisions of Section 410 hereof. The physical quality of the Developer Improvements, including, without limitation, construction quality, finish material, lighting, landscaping and site amenities shall be comparable, at a minimum, to each of the chosen Hotel's respective brand standards. In addition, as to the Upper Upscale Hotel(s) the physical quality, finish materials, lighting, landscaping and site amenities shall be set forth in the Scope of Development. Following the issuance of the Release of Construction Covenants for the Developer Improvements and thereafter until the expiration or termination of the Applicable Covenants Consideration Period with respect to each Hotel, the applicable Hotel and repair and maintenance thereof shall remain comparable in terms of quality and level of amenities to such Hotel as of the date of issuance of the Release of Construction Covenants; provided the foregoing is not intended to require Developer to take any action that might cause a violation of any Governmental Requirement, including without limitation, any regulations or building codes or, as a result of changes in laws, regulations or codes or other changed circumstances, require Developer to take any action to comply with the same that would make performance of the foregoing obligations commercially infeasible.

301.2 Agency Improvements. Subject to a determination by the Agency, acting in its reasonable discretion as to whether or not the cost (collectively "Agency Improvement Costs") of the Agency Improvements of the items described in (a), (b) and (c) below (collectively "Agency Improvements") exceeds Fifteen Million, Eight Hundred Thousand Dollars (\$15,800,000) (the "Agency Improvements Contribution Cap"), Agency shall cause, at its cost and expense, the following within the time set forth in the Schedule of Performance:

(a) Acquisition of the Site and relocation of all occupants of the Site in compliance with all applicable federal, state and local laws and regulations concerning displacement and relocation in accordance with Section 201.1 and 201.2, as applicable;

(b) The demolition and removal of all existing structures and improvements including foundations, and, subject to and as provided in Section 204, remediation of any Hazardous Materials on the Site, the proper disposal and mitigation of lead-based paint, asbestos and other environmental hazards pursuant to the requirements of the Department of Health Services in compliance with all applicable federal, state and local laws and regulations with respect to demolition and/or disposal and mitigation as described above; and

(c) Installation and completion of all offsite infrastructure required by the Land Use Approvals, including CEQA mitigation; provided, however, that the Agency and the City, each acting in its sole and absolute discretion, have adopted resolutions pursuant to Health & Safety Code Section 33445 approving the expenditure of funds for the infrastructure required by this subsection (c) of Section 301.2.

The Agency's determination of the Agency Improvement Costs shall be made no later than the date set forth in the Schedule of Performance by written notice to the Developer. If Agency determines that the Agency Improvements Costs exceeds the Agency Improvements Contribution Cap, it shall give notice to the Developer of such disapproval in accordance with the Schedule of Performance and such notice shall include (a) the specific amount by which any cost exceeds the Agency Improvements Contribution Cap and (b) back up information supporting the Agency's determination of its own budgeted expenses for such costs in sufficient detail to allow Developer to

determine whether or not, without obligation, to pay any such excess of such Agency Improvement Costs above the Agency Improvements Contribution Cap in lieu of termination of the Agreement.

301.3 Parking Structure. The Developer Improvements will include a Parking Structure, as described more fully in the Scope of Development and generally shown on the Conceptual Site Plan ("Parking Structure") which will serve the Project. The Parking Structure shall remain open and available to the public subject to Developer's right to impose parking charges and fees to the extent not prohibited by Governmental Requirements and/or the CFD Financing.

The financing for the Parking Structure may be (i) part of the Construction Financing or (ii) financed through CFD Bonds ("CFD Financing"). In the case of CFD Financing, if so requested by Developer, and if economically and legally feasible, the Agency will undertake the requisite actions to cause CFD Bonds to be issued with respect to the financing of the Parking Structure, provided that the Developer (or an agent engaged by Developer and reasonably approved by the Agency) provides completion guarantees and/or credit enhancements (conditioned upon receipt of the CFD Financing funds) in a form, amount and quality reasonably acceptable to Agency, the bonds or certificates of participation will be rated not less than BBB or its equivalent, and such bonds or certificates of participation will be at no cost to the Agency. In the event of CFD Financing, the parties will determine, each acting in their sole and absolute discretion, the manner in which the Parking Structure will be constructed, operated and maintained as a public parking structure.

301.4 Design Review. The Developer Improvements shall be subject to design review by the Agency within the timeframe set forth in this Agreement and in the Schedule of Performance.

302. Construction Drawings and Related Documents. The Developer shall submit, within the time frames set forth in the Schedule of Performance, and the Agency Director or his designee shall approve, within the time periods set forth in the Schedule of Performance, preliminary building elevations, final building elevations, construction drawings, landscape plans, and related documents required for the development of the respective portions of the Site (individually and collectively, the "Construction Drawings"). The City shall have the right to review and approve all Construction Drawings. In addition to processing Construction Drawings through the City, the Agency shall have the right to review and approve the Construction Drawings as to their compliance with the description of the applicable Developer Improvements as set forth herein, and their consistency with the previously approved design review and the Land Use Approvals. The Agency shall not have the right to disapprove any current set of Construction Drawings unless they are materially inconsistent with the review requirements of the immediately preceding sentence.

303. Land Use Approvals. Except as otherwise expressly set forth herein, prior to commencement of construction of the Developer Improvements upon the Site and in accordance with the Schedule of Performance, Agency shall, at its sole cost and expense (other than the cost of any plans, specifications and other design materials, the cost of which shall be paid by Developer), secure any and all land use and other entitlements and approvals which the City may require for the construction and operation of the Developer Improvements, the Parcel Map, design review by the Agency and/or any other entitlements, permits or approvals required by or from any other governmental agency (collectively, the "Land Use Approvals"). Notwithstanding anything to the contrary herein, Developer and Agency acknowledge and agree that Agency shall prepare, at Agency's expense, and process all documentation required by the California Environmental Quality Act ("CEQA") with respect to the Project. Except as to the Agency Improvements, costs of any

Project related on-site (as described in Paragraph I.E. of the Scope of Development) CEQA mitigation shall be borne by Developer, the cost of which shall be subject to Developer's approval as a condition to Developer's obligation to proceed with any such mitigation. Developer acknowledges that compliance with any such CEQA mitigation shall be a condition under applicable law for proceeding with the Project. Agency shall provide Developer with copies of all applications and other submittals for the Land Use Approvals and the CEQA compliance not less than fifteen (15) days prior to submitting them to any other Governmental Authority for Developer's prior review and written approval, and Agency shall not agree to any conditions, exactions and impositions related to the Developer Improvements or the Site without the prior written approval thereof from Developer. Notwithstanding anything to the contrary contained herein, the Land Use Approvals shall not be deemed obtained or secured until such time as (i) Developer has approved all conditions, exactions and impositions related thereto, in Developer's sole discretion, and (ii) the Land Use Approvals: (a) have been approved officially by the appropriate governmental authorities through duly authorized and appropriate action and all administrative appeals periods related thereto shall have expired, (b) are not subject to any further discretionary approvals of any kind, and (c) if any litigation or administrative challenge shall have been filed relating thereto, there has been a final non-appealable resolution of any such litigation or challenge affirming the validity of the Land Use Approvals.

304. Schedule of Performance. Provided that the Agency has timely met its respective obligations under the Schedule of Performance and subject to the application of Section 602 hereof; Developer shall submit the Construction Drawings, Commence Construction and Complete Construction of the Developer Improvements, and satisfy all other obligations and conditions of this Agreement which are the obligation of Developer within the times established therefor in the Schedule of Performance. The Schedule of Performance is subject to revision from time-to-time as provided therein and as otherwise mutually agreed upon in writing by Developer and the Agency Director.

305. Cost of Construction. Except as otherwise expressly set forth herein, including Sections 201, 204, 301 and 303 and costs relating to Agency Improvements, all of the cost of planning, designing, developing and constructing all of the Developer Improvements, including but not limited to payment or other satisfaction of development impact fees payable in connection with the Developer Improvements, shall be borne solely by Developer.

306. Insurance Requirements. Developer shall obtain and maintain at its sole cost and expense, or shall cause its contractor or contractors to take out and maintain at their sole cost and expense, until the issuance of the Release of Construction Covenants pursuant to Section 310 of this Agreement, the insurance coverages described in this Section 306, with the coverage limits, conditions, and endorsements defined herein.

306.1 Insurance Coverage. Prior to the earlier to occur of the (i) Developer's exercise of a right of entry under the Right of Entry Agreement or (ii) the approval of building permits, the following policies shall be obtained and maintained by Developer or its contractor or contractors covering all activities relating to construction of Developer Improvements at the Site:

(a) Comprehensive general liability insurance in the amount no less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) in the aggregate for claims arising out of bodily injury, personal injury and property damage. Coverage will include contractual, owners, contractors' protective policy and products and completed operations. In

addition, an excess policy in an amount of Four Million Dollars (\$4,000,000) covering the same terms and conditions will remain in force during the term of the Project.

(b) Comprehensive automobile liability insurance in the amount of One Million Dollars (\$1,000,000), combined single limit per occurrence (bodily injury and property damage liability), including coverage for liability arising out of the use of owned, non-owned, leased, or hired automobiles for performance of the work. As used herein the term "automobile" means any vehicle licensed or required to be licensed under the California or any other applicable state vehicle code. Such insurance shall apply to all operations of Developer or its contractors and subcontractors both on and away from the Site. In the event that any drivers are excluded from coverage, such drivers will not be permitted to drive in connection with construction of the Developer Improvements.

(c) Workers' compensation insurance as required by law.

Except for workers compensation insurance which shall be placed with The State Compensation Fund, acceptable insurance coverage shall be placed with carriers admitted to write insurance in California, or carriers with a rating of or equivalent to A:VII by A.M. Best Company. Any deviation from this rule shall require specific approval in writing from the Agency's risk manager or City Attorney. Any deductibles or self-insured retentions in excess of \$250,000 must be declared to and approved the Agency.

306.2 Policy Provisions. A certificate or certificates evidencing coverage described in subsections (a) through (c) above (the "Insurance") shall be submitted to the Agency prior to issuance of building permits for and commencement of the construction of the Developer Improvements, which certificates shall be accompanied by appropriate policy endorsements stating that:

(a) The Insurance shall be primary insurance for losses at the Site, and will be noncontributing with respect to any other insurance carried by Developer or its contractor(s) with respect to any losses which do not arise out of the construction of Developer Improvements, and any other insurance carried by the Agency or City which may be applicable shall be deemed to be excess insurance and the Insurance shall be primary for all purposes despite any conflicting provision in the Insurance to the contrary;

(b) Not less than ten (10) days advance notice shall be given in writing to the Agency and the City prior to any cancellation or termination of the Insurance;

(c) The City and the Agency are named as additional insureds. Coverage provided hereunder by Developer shall be primary insurance and not be contributing with any insurance maintained by the Agency or the City.

Upon request by Agency, Developer shall provide Agency with copies of complete insurance policies evidencing coverage as required herein. Certificates and endorsements for each insurance policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. If required by Agency, Developer shall, from time to time, increase the limits of its general and automobile liability insurance to reasonable amounts customary for owners of improvements similar to those on the Site.

Notwithstanding anything to the contrary set forth in this Section, Developer's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Developer or its affiliate; provided, however, (i) that the City of Garden Grove and the Agency shall be named as an additional insureds as its interest may appear and (ii) that the coverage afforded Agency, et. al., will not be reduced or diminished by reason of the use of such blanket policy of insurance, and (iii) that the requirements set forth herein are otherwise satisfied.

The obligations set forth in this Section 306.2 shall remain in effect as to any portion of the Site only until a Release of Construction Covenants has been furnished for such portion of the Site as hereafter provided in Section 310 of this Agreement.

306.3 Mutual Waivers. Except as otherwise set forth in Section 307 hereof, Agency and Developer hereby waive any rights each may have against the other, on account of any loss or damage occasioned to Agency and any additional insured parties and Developer, as the case may be, or the Site, arising from any loss generally covered by all-risk insurance; and the parties each, on behalf of their respective insurance companies insuring the property of either Agency and Developer against any such loss, waive any right of subrogation that such insurer or insurers may have against Agency and Developer, as the case may be. The foregoing mutual waivers of subrogation shall be mutually operative only so long as available in the state in which the Site is situated and provided further that no such policy is invalidated thereby.

307. Developer's Indemnity; Agency Indemnity. Except as set forth in Section 204 and except to the extent caused by a failure of Agency's warranties for representations or Default by Agency hereunder, Developer shall indemnify (with one (1) counsel reasonably acceptable to the Agency, unless there is a conflict of interest by, among or between any of the Indemnitees, whether individuals or entities in which case separate counsel shall be provided by Developer for each such Indemnitee) the Indemnitees from and against any and all Liabilities which result from the performance of this Agreement by Developer or Developer's ownership, development, use, or operation of the Site or any portion thereof excepting those Liabilities which are caused by the Indemnitees' (or any of them) gross negligence or willful misconduct. The Agency, City and Developer agree to fully cooperate with one another in any case where no conflict of interest between the parties is apparent. Without limiting the generality of the foregoing, Developer specifically agrees to indemnify, defend and hold harmless Agency and City from any Liabilities resulting from Developer's failure to comply with all applicable laws in accordance with Section 309 hereof. Agency shall indemnify (with one (1) counsel reasonably acceptable to Developer) the Developer Parties from and against any and all Liabilities which result from the Agency's relocation of the occupants as required by this Agreement.

308. Rights of Access. Representatives of the Agency shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Developer Improvements and so long as Agency representatives comply with all safety rules and do not unreasonably interfere with the work of Developer. Agency shall defend, indemnify, assume all responsibility for and hold the Developer Parties harmless from and against any and all third party liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, and reasonable attorneys' fees of any kind or nature and for any damages, including damages to property or injuries to persons, including accidental death (including

reasonable attorneys' fees and costs), which result from the exercise of such entry. Representatives of the Developer shall have the right of access to those portions of the Site owned by Agency without charges or fees during normal construction hours for the purpose of Investigation and Grading (as those terms are defined in the Right of Entry and Reimbursement Agreement).

309. Compliance with Governmental Requirements. Developer shall carry out the design, construction and operation of the Project in conformity with all Governmental Requirements.

309.1 Nondiscrimination in Employment. Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, with respect to the construction and operation of the Project, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sections 2000, *et seq.*, the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Sections 621, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. Sections 1324b, *et seq.*, 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, California Government Code Sections 12900, *et seq.*, the California Equal Pay Law, California Labor Code Sections 1197.5, California Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Sections 12101, *et seq.*, and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended. Developer shall allow representatives of the Agency access to its employment records related to this Agreement during regular business hours at Developer's principal office in Garden Grove, California to verify compliance with these provisions when so requested by the Agency.

310. Release of Construction Covenants. Following Completion of the Phase 1 Developer Improvements and/or Phase 2 Developer Improvements in conformity with this Agreement and within thirty (30) calendar days following receipt of a written request from Developer, the Agency shall furnish Developer with a Release of Construction Covenants for the completed Developer Improvements or portion thereof. The Agency shall not unreasonably withhold or delay such Release of Construction Covenants. The Release of Construction Covenants shall be conclusive determination of satisfactory Completion of Construction of the Developer Improvements (or the part thereof identified in the Release of Construction Covenants) and the Release of Construction Covenants shall so state. Any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site (or part thereof which is the subject of Release of Construction Covenants) shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement except for those continuing covenants as set forth in Sections 400 of this Agreement. If the Agency refuses or fails to furnish the Release of Construction Covenants for the Site (or part thereof) after written request from Developer, the Agency shall, within thirty (30) working days of receiving such written request, provide Developer with a written statement setting forth the reasons the Agency has refused or failed to furnish the Release of Construction Covenants for the Site (or part thereof). The statement shall also contain a list of the actions Developer must take to obtain a Release of Construction Covenants, which list shall be based on the requirements set forth in the Construction Documents. If the reason for the Agency's refusal to issue the Release of Construction Covenants is due to lack of availability of specific landscape and/or finish materials, the Developer may provide a completion bond reasonably acceptable to the Agency, in which case the Developer shall thereby become entitled to the Release of Construction Covenants.

Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the Developer Improvements, or any part thereof. Such Release of Construction Covenants is not a notice of completion as referred to in the California Civil Code, Section 3093.

311. Financing of the Developer Improvements.

311.1 Approval of Financing. Prior to the Close of Escrow and in accordance with the Schedule of Performance, Developer shall have submitted evidence to the Agency that Developer has equity capital and/or a lender commitment from one (1) or more institutional lender(s) (individually and collectively, the "Construction Lender") for the construction of the Hotels in accordance with this Agreement ("Construction Financing"). In addition, such Construction Financing shall be funded or to fund at the Closing in accordance with the Schedule of Performance as provided in accordance with Sections 205.1(f) and 205.2(h) hereof. Agency shall have the right to review and approve any such Construction Financing in its reasonable discretion. The Agency shall approve Construction Financing if the debt portion, if any, is issued by an institutional lender, together with Developer's equity (and, if applicable, the commitment of a Tenant to reimburse the Developer for all or any portion of the costs of the Developer Improvement), is in an amount not less than the cost of the Developer Improvements and conditioned only upon Closing and other customary construction loan closing and funding requirements. Developer and Agency agree that Developer shall be solely responsible for all financial obligations under such financing.

311.2 Holder Not Obligated to Construct Developer Improvements. The holder of any mortgage or deed of trust authorized by this Agreement (a "Holder") shall not be obligated by the provisions of this Agreement to construct or Complete the Construction of the Developer Improvements or any portion thereof, or to guarantee such construction or Completion of Construction; nor shall any covenant or any other provision in this Agreement be construed so to obligate such Holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such Holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or Developer Improvements provided for or authorized by this Agreement.

311.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever the Agency delivers any notice of default ("Notice of Default") or demand to Developer with respect to any Breach or Default by Developer in the construction of the Developer Improvements, and if Developer fails to cure the Default within the time set forth in Section 501, the Agency shall deliver to each Holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand. Each such Holder shall (insofar as the rights granted by the Agency are concerned) have the right, at its option, within thirty (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such Default and to add the cost thereof to the mortgage debt and the lien of its mortgage; provided, however if the Holder is legally prevented from curing such default because of a bankruptcy by the Developer or because such cure requires physical possession of the Site then the thirty (30) day period shall be tolled until such bankruptcy is confirmed, rejected or otherwise resolved or the Holder has obtained lawful physical possession of the Site. Nothing contained in this Agreement shall be deemed to permit or authorize such Holder to undertake or continue the construction or Completion of Construction of the Developer Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made)

without first having expressly assumed Developer's obligations to the Agency by written agreement reasonably satisfactory to the Agency which election to assume may be made within ninety (90) days following Holder's securing of title to the Property. Such assumption shall not have the effect of causing the Holder to be responsible for any prior damage obligations of Developer to the Agency. The Holder, in that event, must agree to Complete Construction, in the manner provided in this Agreement, the Developer Improvements. Any such Holder properly Completing the Construction of the Developer Improvements or portion thereof shall be entitled, upon compliance with the requirements of Section 310 of this Agreement, to a Release of Construction Covenants. It is understood that a Holder shall be deemed to have satisfied the thirty (30) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such Holder has within such thirty (30) day period commenced foreclosure proceedings to obtain title and/or possession and thereafter the Holder diligently pursues such proceedings to completion and cures or remedies the default.

311.4 Failure of Holder to Complete the Construction of the Developer Improvements. In any case where, thirty (30) days after the Holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a Notice of Default by Developer in Completion of construction of any of the Developer Improvements under this Agreement, and the Holder has not exercised the option to construct as set forth in Section 311.3, or if it has exercised the option but has defaulted thereunder and failed to timely cure such default, the Agency may, by giving written notice to the Holder, purchase the mortgage or deed of trust by payment to the Holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the Holder, the Agency, if it so desires, shall be entitled to a conveyance of title to the Site or such portion thereof from the Holder to the Agency upon payment to the Holder of an amount equal to the sum of the following:

- (a) The unpaid mortgage or deed of trust debt at the time title became vested in the Holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- (b) All expenses with respect to foreclosure including reasonable attorneys' fees;
- (c) The net expense, if any (exclusive of general overhead), incurred by the Holder as a direct result of the subsequent management of the Site or part thereof;
- (d) The costs of any Developer Improvements made by such Holder;
- (e) Any prepayment charges, default interest, and/or late charges imposed pursuant to the loan documents and agreed to by Developer; and
- (f) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency.

311.5 Right of the Agency to Cure Mortgage or Deed of Trust Default. In the event Developer receives a notice of default on any mortgage or deed of trust prior to the Completion of Construction of the Developer Improvements and issuance of a total Release of Construction

Covenants, Developer shall immediately deliver to the Agency a copy of such notice of default. If the Holder of any mortgage or deed of trust has not exercised its option to construct, the Agency shall have the right but not the obligation to cure the default. The Agency shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by the Agency in curing such default. The Agency shall also be entitled to a lien upon the Site to the extent of such costs and disbursements.

400. COVENANTS AND RESTRICTIONS

401. **Covenant to Develop, Use and Operate the Site in Accordance with Redevelopment Plan, Land Use Approvals, and this Agreement.** Until expiration of the Redevelopment Plan, Developer covenants and agrees for itself and its successors, assigns, and every successor in interest to such portion the Site, or any part thereof that Developer and such successors and assignees, shall use and operate the Site in accordance with the Redevelopment Plan, the Land Use Approvals, and this Agreement, and except for a Holder who, pursuant to Section 311, has not elected to assume Developer's obligations hereunder to construct, shall construct and Complete Construction of the Developer Improvements in accordance with the Land Use Approvals, Scope of Development, Section 301.1, and Schedule of Performance.

402. **Maintenance and Security Covenants.** Developer covenants and agrees for itself, its successors and assigns and any successor in interest to the Site or part thereof to maintain, at Developer's sole cost and expense, the Site and all Developer Improvements thereon, in compliance with the terms of the Declaration, the Redevelopment Plan and with all applicable Governmental Requirements. The operation, use, security and maintenance of the Site, shall be accomplished in accordance with the Covenants and Declaration (to be approved by the parties prior to Closing) consistent with other first-class hotel/retail/restaurant projects in Orange County, and shall include regular landscape maintenance, graffiti removal, and trash and debris removal.

403. **Nondiscrimination.** The Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Improvements or the Site, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project or the Site. The foregoing covenants shall run with the land.

All deeds, leases or contracts with respect to the Project or the Site shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of

discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

b. **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, ~~subleasing~~, transferring, use, occupancy, tenure, or enjoyment of the premises ~~herein~~ leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

c. **In contracts:** "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants,

sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

404. **Assessed Value.** The Developer, and its successors in interest, shall not appeal the assessed value of the Project prior to the expiration of the Redevelopment Plan so as to achieve a total assessed value after Completion, of less than the greater of \$75,000,000.00 with respect to the Phase 1 Improvements and \$25,000,000.00 with respect to the Phase 2 Improvements or the assessed value imposed by the County Assessor in the fiscal year following the year in which the Completion of Construction of the Phase 1 Developer Improvements or the Phase 2 Developer Improvements, as applicable, occurred.

405. **Prevailing Wages.** With respect to the construction of the Developer Improvements on the Site set forth herein and in the Scope of Work, Developer and its contractors and subcontractors shall pay prevailing wages and employ apprentices in compliance with Labor Code Section 1770, *et seq.*, and shall be responsible for the keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto. Such requirements are set forth in greater detail in Exhibit J attached hereto and incorporated herein by reference. The referenced Labor Code sections and Exhibit J are referred to herein collectively as the "Prevailing Wage Requirements." Upon the periodic request of the Agency, the Developer shall certify to the Agency that it is in compliance with the requirements of this Section 405. Notwithstanding anything to the contrary contained in this Agreement, Developer shall not be required to comply with the Prevailing Wage Requirements with respect to any discreet portions of the Developer Improvements, if and to the extent the Prevailing Wage Requirements are inapplicable to such discreet portions. Developer shall indemnify, protect, defend and hold harmless the Agency and its officers, employees, contractors and agents, with counsel reasonably acceptable to Agency, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Developer Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer with any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Developer Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section 405, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after Completion of Construction of the Developer Improvements by the Developer.

406. **Point of Sale and/or Use.** The Developer, for itself and for its general contractor and subcontractor, agrees to obtain a State Board of Equalization sub-permit for the jobsite and allocate all eligible use tax payments to the City of Garden Grove and provide the Agency with either a copy

of the sub-permit or a statement that the use tax does not apply to this portion of the job, to insure that the City of Garden Grove is the point of sale and/or use under the Bradley Burns Uniform Local Sales and Use Tax Law (commencing with Section 7200 of the Revenue and Taxation Code, as amended from time to time).

407. Agency Use of Hotel Facility. During the period of twelve (12) years commencing upon the date the Hotel opens for business to the public, Developer will provide Agency with ten (10) hotel room nights per year, free of charge, and will allow the Agency to use the conference and/or banquet facilities and services at the Hotels on at least three (3) occasions per year (an "occasion" means an event lasting up to two (2) days) at a fifteen percent (15%) discount from the lowest rate charged during the past twelve (12) months on a space available basis, excluding services or goods provided by third parties. However, Agency's right to such free or discounted use of rooms and/or conference and/or banquet facilities may not be exercised during prime convention and/or tourist season, and the number of rooms shall be limited to five (5) at any given time.

408. Effect of Violation of the Terms and Provisions of this Agreement. The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the Covenants, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the Covenants have been provided, without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Site. The Agency shall have the right (subject to Section 501 below), upon a Default by Developer of this Agreement, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and Covenants may be entitled. Except as otherwise provided therein, the Covenants contained in Sections 103, 301, 309, and 401, 402, 404 and 406, and the Declaration shall survive Closing and remain in effect until the expiration of the Redevelopment Plan, as it may be amended from time to time. The Covenants set forth in Sections 204.2, 204.3, 307, 403, and 603 shall survive Closing and remain in effect in perpetuity. The Covenants described in Sections 304, 305, 306, 308, 405 and 503 shall survive Closing and remain in effect with respect to a portion of the Site until the issuance of a Release of Construction Covenants with respect to such portion of the Site and so long thereafter as shall be necessary to enforce a Default(s) thereunder. The Covenants set forth in Section 407, 409, 410, 411 and 412 shall survive Closing and remain in effect in accordance with the terms set forth therein.

409. Upper Upscale Hotel Covenant Consideration. In consideration for the granting of the Covenants by the Developer to the Agency, Agency shall pay to the Developer annually, within thirty (30) days after receipt by the City of transient Occupancy Tax attributable to the Upper Upscale Hotel, from the date on which Completion of Construction of the Upper Upscale Hotel occurs:

(a) through June 30, 2034, an amount equal to fifty-eight percent (58%) of the Transient Occupancy Tax Revenues which have been paid to and received by the City in each calendar year during such period with respect to the Upper Upscale Hotel(s); and

(b) for a period of twelve years, an amount equal to fifty percent (50%) of the Remaining Revenues in each calendar year during such period.

For purposes of this Section 409, "Remaining Revenues" means (i) an amount equal to the balance of the Transient Occupancy Tax attributable to the Upper Upscale Hotel after

deducting the amounts described in (a) above (i.e., the remaining 42% of the Transient Occupancy Tax Revenues attributable to the Upper Upscale Hotel), (ii) Net Tax Increment Revenues attributable to the Upper Upscale Hotel Component in each calendar year during such period, and (iii) Sales Tax Revenues attributable to the Upper Upscale Hotel Components in each calendar year during such period, after deducting an amount equal to fourteen and 29/100 percent (14.29%) of the Agency Improvement Costs each such calendar year until the total amount of the Agency Improvement Costs has been reached.

Examples of the above are shown in the Covenant Consideration Computation Example.

410. Limited Service Hotel Covenant Consideration. In consideration for the granting of the Covenants by the Developer to the Agency, and with respect to each Limited Service Hotel on the Site, Agency shall pay to the Developer annually, for the period commencing on the date on which Completion of Construction of such Limited Service Hotel(s) has occurred and expiring ten (10) years thereafter, an amount equal to fifty percent (50%) of (i) the Transient Occupancy Tax Revenues which have been paid to and received by the City in each calendar year during such period with respect to each such Limited Service Hotel, (ii) the Net Tax Increment attributable to the Limited Service Hotel(s) in each calendar year during such period, and (iii) Sales Tax Revenues attributable to the Limited Service Hotel(s) in each calendar year during such period. Such payments will be made to Developer within thirty (30) days after receipt of such revenues by the City or Agency, as applicable.

Examples of the above are shown in the Covenant Consideration Computation Example.

411. Sunbelt Property Covenant Consideration. In consideration for the granting of the Covenants by the Developer to the Agency, and without limiting the amounts payable pursuant to Sections 409 and 410 above, Agency shall pay to the Developer annually with respect to the Sunbelt Property, from and after Completion of Construction of any portion of the Retail/Restaurant/Entertainment Component on the Sunbelt Property, an amount equal to fifty percent (50%) of the Net Tax Increment Revenues and Sales Tax Revenues attributable to Retail/Restaurant/Entertainment Component of the Sunbelt Property for a period of ten (10) years from the date on which Completion of Construction of each such portion of the Retail/Restaurant/Entertainment Components on the Sunbelt Property (i.e., there shall be separate 10-year payment periods for each such portion of the Retail/Restaurant/Entertainment Components on the Sunbelt Property), in each case as received by the City in each calendar year during such period. The payments required by this Section 411 shall be prorated for any partial years at the beginning or end of the applicable periods and paid to Developer within thirty (30) days after receipt of such revenues by the City or Agency, as applicable.

412. Allocation of Covenant Consideration. Notwithstanding the allocations of Covenant Consideration described in Sections 409, 410, and 411, the Developer may, without the approval of the Agency, reallocate the Covenant Consideration between and among the separate development entities who own the Separate Components, as described in Section 103.2.

500. DEFAULTS AND REMEDIES

501. Default Remedies. Subject to Enforced Delay and compliance with the provisions of this Agreement which provide for the protection of Mortgagee rights, including the provisions of Section 311 of this Agreement, failure or delay by either party to perform any material term or

provision of this Agreement (a "Breach") following notice and failure to cure as described hereafter constitutes a "Default" under this Agreement.

The nondefaulting party shall give written notice of any Breach to the party in Breach, specifying the Breach complained of by the nondefaulting party ("Notice of Default"). Delay in giving such Notice of Default shall not constitute a waiver of any Breach nor shall it change the time of Breach. Upon receipt of the Notice of Default, the party in Breach shall promptly commence to cure the identified Breach at the earliest reasonable time after receipt of the Notice of Default and shall complete the cure of such Breach not later than thirty (30) days after receipt of the Notice of Default, or, if such Breach cannot reasonably be cured within such thirty (30) day period, then as soon thereafter as reasonably possible, provided that the party in Breach shall diligently pursue such cure to completion ("Cure Period"). Failure of the party in Breach to cure the Breach within the Cure Period set forth above shall constitute a "Default" hereunder.

Any failures or delay by either party in asserting any of its rights and remedies as to any Breach or Default shall not operate as a waiver of any Breach or Default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

AGENCY SHALL ALSO BE REQUIRED TO SEND NOTICES OF DEFAULT TO EACH MORTGAGEE FOR WHICH AGENCY HAS RECEIVED A MORTGAGEE NOTICE.

~~502.~~ **Institution of Legal Actions.** In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Orange, State of California, in an appropriate municipal court in that county, or in the United States District Court for the Central District of California.

503. Re-entry and Revesting of Title in the Agency After the Closing and Prior to Completion of Construction. Without limiting the rights as set forth in Section 311, and without affecting the priority of the lien of the Holder's deed of trust or mortgage, the Agency has the right, at its election, to reenter and take possession of a portion of the Site with all Developer Improvements thereon, and terminate and Revest in the Agency the estate conveyed to the Developer with respect to a portion of the Site only if after the Closing and prior to the issuance of the final Release of Construction Covenants with respect to such portion of the Site, the Developer (or its successors in interest) shall:

(a) fail to start the construction of the Developer Improvements on such portion of the Site as required by this Agreement for a period of ninety (90) days after Notice thereof from the Agency subject to extension pursuant to Section 602; or

(b) abandon or substantially suspend construction of the Developer Improvements on such portion of the Site required by this Agreement for a period of ninety (90) days after Notice thereof from the Agency subject to extension pursuant to Section 602; or

(c) contrary to the provisions of Section 103 hereof, Transfer or suffer any involuntary Transfer in violation of this Agreement, and such Transfer, if it is a Transfer requiring approval by the Agency, is not rescinded within thirty (30) days of Notice thereof from Agency to Developer.

Such right to reenter, terminate and Revest is subject to the quiet enjoyment, and, if applicable, the right to continue to complete construction by (i) Tenants or other occupants who have (a) executed leases or subleases and (b) incurred substantial expenses in connection with the design and/or construction of improvements required to be constructed by such Tenant under such lease or sublease and (ii) Developer, in the case where the Developer is in Default and, *vis a vis* a Holder or its Nominee, shall be exercisable only if:

1. Such Holder (or its Nominee) (a) shall have failed to cure any Default within the applicable cure periods granted to such Holder (or its Nominee), or (b) shall have given Agency written notice that it will not cure any such Default or condition or that it will otherwise not comply with the terms and conditions of this Agreement, and

2. Agency, within ninety (90) days after the occurrence of any events described in subparagraph 1. immediately above, shall commence the exercise of its right of entry and shall pay to Holder (or its Nominee) in immediately available funds, the Loan Balance prior to Revesting.

In the event of a failure or refusal to cure a Default, as described in subparagraph 1. above, Agency's sole remedy *vis a vis* Holder shall be the exercise of the re-entry right and Revesting in accordance herewith. Nothing herein shall be construed to prohibit or limit the Agency's exercise of its power of eminent domain.

The conditions to the commencement of the exercise of the Agency's right to re-enter and Revest as described above shall be applicable whether the re-entry and Revesting occurs (a) prior to foreclosure (or deed in lieu of foreclosure) by the Holder (or its Nominee) under its mortgage or deed of trust; or (b) after Holder (or its Nominee) acquires title to the Site by foreclosure (or deed-in-lieu of foreclosure) under its mortgage or deed of trust.

The applicable Grant Deed shall contain appropriate reference and provision to give effect to the Agency's right as set forth in this Section 503, under specified circumstances prior to recordation of the Release of Construction Covenant, to reenter and take possession of the Site, with all improvements thereon, and to terminate and Revest in the Agency the estate conveyed to the Developer. Upon the Revesting in the Agency of title to the Site, as provided in this Section 503, the Agency shall, pursuant to its responsibilities under state law, use its reasonable efforts to resell the Site, as soon and in such manner as the Agency shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan, as it exists or may be amended, to a qualified and responsible party or parties (as determined by the Agency) who will assume the obligation of constructing or completing the Developer Improvements, or such improvements in their stead as shall be satisfactory to the Agency and in accordance with the uses specified for such Site, or part thereof in the Redevelopment Plan. Upon such resale of the Site, the net proceeds thereof, shall be applied:

(i) First, to reimburse the Agency, on its own behalf or on behalf of the City, all costs and expenses incurred by the Agency, excluding City and Agency staff costs, but specifically,

including, but not limited to, any expenditures by the Agency or the City in connection with the recapture, management and resale of the Site, or part thereof (but less any income derived by the Agency from the Site, or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Site, or part thereof which the Developer has not paid (or, in the event that the Site is exempt from taxation or assessment of such charges during the period of ownership thereof by the Agency, an amount, if paid, equal to such taxes, assessments, or charges as would have been payable if the Site were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Site, or part thereof at the time or Revesting of title thereto in the Agency, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the constructing or completion of the improvements or any part thereof on the Site, or part thereof; and any amounts otherwise owing the Agency, and in the event additional proceeds are thereafter available, then

(ii) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the sum of (a) actual and direct third party costs incurred by the Developer for the Developer Improvements existing on the Site, at the time of the re-entry and possession, less (b) any gains or net income received by the Developer from the Site, or the improvements thereon.

Any balance remaining after such reimbursements shall be retained by the Agency as its property. The rights established in this Section 503, except as may otherwise be provided in this Section 503, are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the Agency will have conveyed the Site, to the Developer for redevelopment purposes, and not for speculation in undeveloped land.

504. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

505. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

506. Applicable Law. The laws of the State shall govern the interpretation and enforcement of this Agreement.

600. GENERAL PROVISIONS

601. Notices, Demands and Communications Between the Parties. Any approval, disapproval, demand, document or other notice ("Notice") required or permitted under this Agreement must be in writing and shall be sufficiently given if delivered by hand (and a receipt therefore is obtained or is refused to be given) or dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by telecopy, or email or overnight delivery service to:

To Agency: Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Agency Director

with a copy to: Stradling, Yocca, Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Thomas P. Clark, Jr.

To Developer: Land & Design, Inc.
8130 La Mesa Boulevard, #808
La Mesa, California 91942
Attention: Matthew Reid

with a copy to: E-Ticket Hospitality, LLC
420 McKinley Street, Suite 111
Corona, California 92879
Attention: David Rose

with a copy to: Allen Matkins Leck Gamble Mallory & Natsis, LLP
501 West Broadway, 15th Floor
San Diego, California 92101
Attention: Tom Crosbie

Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section.

602. Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays are due to ("Enforced Delay"): litigation challenging the validity of this transaction or any element thereof or the right of either party to engage in the acts and transactions contemplated by this Agreement; eminent domain actions filed by the Agency pursuant to Section 201.2 including, without limitation, relocation obligations in connection therewith and inverse condemnation actions, inability to secure necessary labor materials or tools; actions in connection with the remediation of Hazardous Materials, including groundwater contamination; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism; epidemics; quarantine restrictions; freight embargoes; unanticipated subsurface conditions that delay performance; lack of transportation; governmental restrictions or priority; building moratoria; unusually severe weather; or acts or omissions of the other party; acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of the Agency which shall not excuse performance by the Agency); or during the pendency of any dispute between Agency or Developer, regarding Developer's construction obligations hereunder provided that the party claiming the right to an extension of time is determined to be the prevailing party in such dispute. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period reasonably attributable to the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such

extension is sent to the other party within thirty (30) days of the later of commencement of the cause or such party's discovery of such cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Agency and/or Developer. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to Complete the Developer Improvements shall not constitute grounds of enforced delay pursuant to this Section 602.

603. Non Liability of Officials and Employees of Agency, City and Developer. No member, official, shareholder or employee of either party or of the City shall be personally liable to the other party or the City, or any successor in interest, in the event of any Default or Breach by the either party or for any amount which may become due to either party or their successors, or on any obligations under the terms of this Agreement.

604. Relationship Between Agency and Developer. It is hereby acknowledged that the relationship between the Agency and Developer is not that of a partnership or joint venture and that the Agency and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the Exhibits hereto, the Agency shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Site.

605. Agency Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Agency, the Agency Director or his or her designee is authorized to act on behalf of Agency unless specifically provided otherwise or the context should require otherwise.

606. Commencement of Agency Review Period. The time periods set forth herein and in the Schedule of Performance for the Agency's approval of agreements, plans, drawings, or other information submitted to the Agency by Developer and for any other Agency consideration and approval hereunder which is contingent upon documentation required to be submitted by Developer shall only apply and commence upon the submittal of all the reasonably required information. In no event shall a materially incomplete submittal by Developer trigger any of the Agency's obligations of review and/or approval hereunder; provided, however, that the Agency shall notify Developer of an incomplete submittal as soon as is practicable.

607. Successors and Assigns. All of the terms, covenants, conditions, representations, and warranties, of this Agreement shall be binding upon Agency and Developer and their respective permitted successors and assigns. Whenever the term "Developer" or "Agency," as the case may be, is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

608. Assignment by Agency. The Agency may assign or transfer any of its rights or obligations under this Agreement with the approval of Developer, which approval shall not be unreasonably withheld; provided, however, that the Agency may assign or transfer any of its interests hereunder to the City at any time without the consent of Developer provided that such assignment does not negatively affect any of Developer's rights or increase Developer's obligations hereunder.

609. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

610. **Integration.** This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement includes pages 1 through 42 (includes signature page) and Exhibits A through M, (each such Exhibit incorporated in this Agreement as if fully set forth herein) which together constitute the entire understanding and agreement of the parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

611. **Attorneys' Fees.** In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees. Costs recoverable for enforcement of any judgment shall be deemed to include reasonable attorneys' fees.

612. **Administration.** This Agreement shall be administered and executed by the Agency Director, or his/her designated representative, following approval of this Agreement by the Agency. The Agency shall maintain authority of this Agreement through the Agency Director (or his/her authorized representative). The Agency Director shall have the authority but not the obligation to issue interpretations, waive provisions, approve the Declaration, extend time limits, make minor modifications to prior Agency design approvals, and/or enter into amendments of this Agreement on behalf of the Agency so long as such actions do not substantially change the uses or development permitted on the Site, or add to the costs to the Agency as specified herein as agreed to by the Agency Board, and such amendments may include extensions of time specified in the Schedule of Performance. All other waivers or amendments shall require the written consent of the Agency Board.

613. **Titles and Captions.** Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to Section numbers are to sections in this Agreement, unless expressly stated otherwise.

614. **Interpretation.** As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

615. **No Waiver.** A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

616. **Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

617. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

618. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens) and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded in which case such day is the day following the excluded day(s). The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time.

619. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

620. Time of Essence. Time is expressly made of the essence with respect to the performance by the Agency and Developer of each and every obligation and condition of this Agreement.

621. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement. In this regard, Developer and the Agency agree to mutually consider reasonable requests for amendments to this Agreement and/or other estoppel documents. The party making the request shall be responsible for the costs incurred by the other party, including without limitation attorneys' fees, (the "Amendment/Estoppel Costs") in connection with any amendments to this Agreement and/or estoppel documents which are requested by such party (the "Developer/Agency Request") regardless of the outcome of the Developer/Agency Request.

622. Conflicts of Interest. No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his/her personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

623. Time for Acceptance of Agreement by the Agency. This Agreement, when executed by Developer and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before thirty (30) days after signing and delivery of this Agreement by Developer or this Agreement shall be void, except to the extent that Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

624. Consideration of Agreement Modification. The Parties recognize that due to the changing economic conditions as it relates to hotel development, there is a possibility that the terms described herein will need to be modified based on requirements of the Franchisor, Hotel Operator and/or Construction Lender and/or other debt or equity contributors. With this in mind, the parties agree that in such event, the Parties agree that they will discuss any such requested modifications with the idea in mind of modifying or amending this Agreement, if required, with each Party acting in their sole and absolute discretion and without any commitment to the other to agree to any such requested modification or revision.

625. Recordation of Memorandum of Agreement. The Memorandum of Agreement shall be recorded concurrently with the Close of Escrow and the terms hereof shall survive Closing and run with the land for the period of time set forth herein.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates set forth below.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public
body, corporate and politic

Dated: June 28, 2011

By: Matthew Fetal

ATTEST:

Patricia Bain
Agency Secretary

APPROVED AS TO FORM:

Thomas P. Clark, Jr.
Agency General Counsel

DEVELOPER

LAND & DESIGN INC., a California corporation

Dated: _____, 2011

By: See next page
Matthew Reid

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates set forth below.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public
body, corporate and politic

Dated: _____, 2011

By: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Thomas P. Clark, Jr.
Agency General Counsel

DEVELOPER

LAND & DESIGN, INC. a California corporation

Dated: 6/17 _____, 2011

By: 
Matthew Reid



EXHIBIT A

SITE MAP

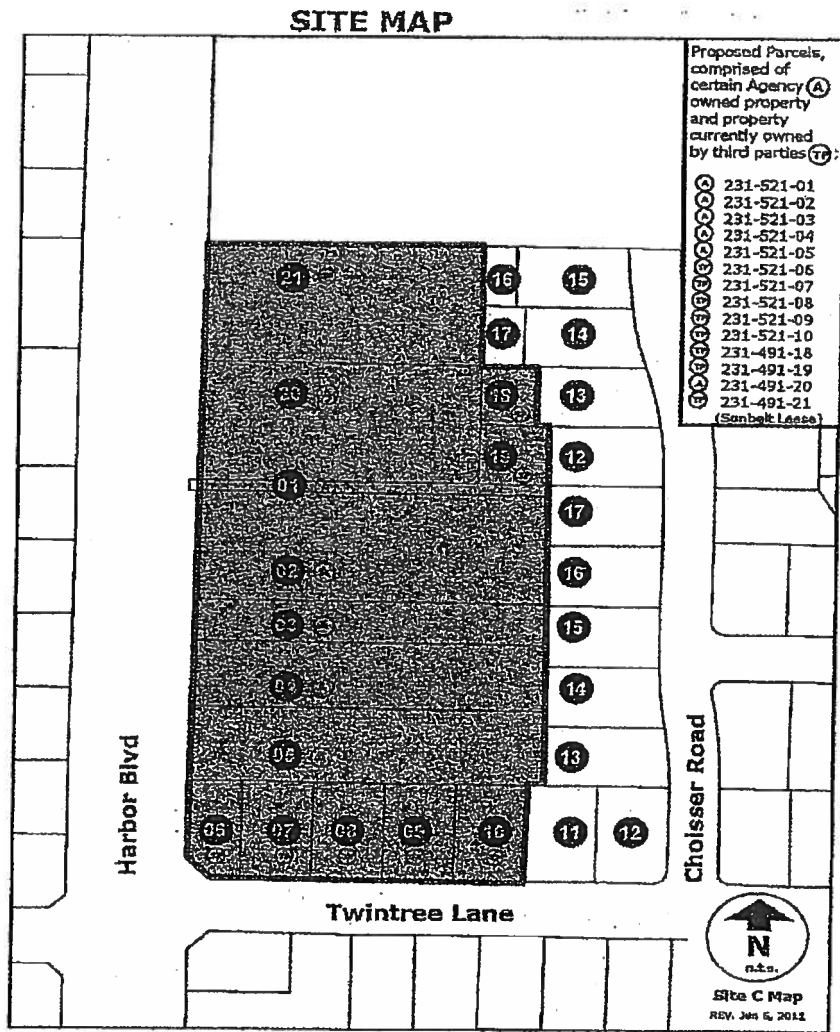


EXHIBIT A

EXHIBIT B

NEED LEGAL DESCRIPTION

EXHIBIT B

-1-

EXHIBIT C

SCOPE OF DEVELOPMENT

Unless otherwise specified herein, all capitalized terms in the Scope of Development shall have the meaning(s) set forth for the same Disposition and Development Agreement to which this Scope of Development is attached (DDA).

I. DEVELOPER IMPROVEMENTS

A. RETAIL/RESTAURANT/ENTERTAINMENT

The following shall be the sole cost and expense of the Developer:

1. The Developer shall construct on the Site the Retail/Restaurant/Entertainment Component(s) consisting of a minimum of ten thousand (10,000) square feet of gross leaseable area and required parking (subject to parking structure). Exhibit L, contained herein, shall be considered the agency pre-approved list of Retail/Restaurant and Entertainment uses. The Developer, from time to time, may submit additional lists of possible restaurants for Agency review and approval, which shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in the DDA or this Exhibit C, the use of the Sunbelt Property shall be restricted to portion(s) of the Retail/Restaurant/Entertainment Component(s).

The design and architecture of the improvements for the restaurant(s) shall follow the City's General Plan, the Redevelopment Plan, the Harbor Corridor Specific Plan, and all other requirements and provisions of this Agreement, as applicable.

B. HOTEL

The following shall be the sole cost and expense of the Developer:

1. The Developer shall construct the Upper Upscale Hotel consisting a minimum of three hundred (300) rooms shall also include required parking, as well as a central lobby, full-service/specialty restaurant (with room service), cocktail bar, spa, gift shop(s), business center, fitness center, concierge service, and not less than ten thousand (10,000) square feet of meeting and business space in accordance with the Agency approved Upper Upscale Hotel list. Exhibit L, contained herein, shall be considered the pre-approved list of Upper Upscale Hotel Flags. The Developer, from time to time, may submit additional lists of possible Upper Upscale Hotel Flags/Operators for Agency review and approval, which shall not be unreasonably withheld.

Similarly, all guest rooms shall range in size from 300 gross square feet to over 400 gross square feet. All rooms will include flat screen TV's and high speed internet access, and other standard items such as alarm clocks, hair dryer, iron and ironing board. A limited number of larger suites will provide separate bedrooms, private bathrooms, and separate seating/living areas. There will also be luxury suites with king beds, flat screen televisions and wireless internet access.

The Developer shall construct the Limited Service Hotels consisting of a minimum of one hundred twenty-five (125) rooms each. The Limited Service Hotels shall also include required parking, as well as a central lobby, business center, and fitness center in accordance with the Agency approved Limited Service Hotel list. Exhibit L, contained herein, shall be considered the pre-approved list of Upper Upscale Hotel Flags. The Developer, from time to time, may submit additional lists of possible Limited Service Hotel Flags/Operators for Agency review and approval, which shall not be unreasonably withheld.

Similarly, all guest rooms range in size from 300 gross square feet to over 400 gross square feet. All rooms will include flat screen TV's and high speed internet access, and other standard items such as alarm clocks, hair dryer, iron and ironing board.

The design and architecture of the Limited Service Hotels shall follow the City's General Plan, the Redevelopment Plan, the Harbor Corridor Specific Plan and the all other requirements and provisions of this Agreement, as applicable. The architecture shall be consistent with the cost estimates for construction provided in the Developer's Pro Forma, the Basic Concept and Design Development Drawings and the Construction Plans and Drawings. Particular attention shall be paid to massing, scale, color, and materials.

In addition to the minimum standards for the Hotel(s) associated with the Pre-Approved Limited Service Flag(s)/Operator(s) and Pre-Approved Upper Upscale Flag(s)/Operator(s), (i) the standards attached hereto as Attachment No. 1 shall also apply to the Hotel(s), and (ii) notwithstanding anything to the contrary contained in the DDA or this Exhibit C, the finishes, standards and quality of (a) the Upper Upscale Hotel(s) shall equal or exceed those of the Westin Pasadena as of the date of the DDA, and (b) of the Limited Service Hotel(s) shall equal or exceed those of the Homewood Suites Garden Grove as of the date of the DDA.

C. PARKING STRUCTURE

The following shall be the sole cost and expense of the Developer subject to City assistance previously mentioned:

EXHIBIT C

1. The Developer shall construct, maintain and operate the Parking Structure Parcel as shown on the Conceptual Site Plan.

The vehicular entry points to the Parking Structure shall be located as shown on the Conceptual Site Plan.

The Parking Structure shall be designed for ease of operations and patron convenience with one-way traffic lanes, angled parking stalls, no parking on ramps, two lanes of continuous vertical traffic flow, and separated inbound/outbound lanes.

2. The Developer shall provide an architectural solution for the Parking Structure for the elevations that face the residential areas.

D. IMPROVEMENTS

The following shall be the sole cost and expense of the Developer:

1. The Developer shall construct all improvements from the back of the curb face, including sidewalks, driveways, street lights, pedestrian light standards, signs, parkway landscape (but excluding traffic or pedestrian or traffic signal poles which are the responsibility of the Agency). All such improvements shall be constructed in accordance with the Harbor Boulevard Streetscape Improvement Plan. Improvements include the east side of Harbor Boulevard from the most south boundary portion of the Site to the most north boundary portion of the Site.

E. TENTATIVE AND FINAL MAP

At Developer's direction, the Agency shall pay for, prepare and process a tentative and final parcel map for the Site.

II. AGENCY IMPROVEMENTS

The following shall be the sole cost and expense of the Agency:

1. Acquisition of the Site and relocation of all occupants of the Site in compliance with all applicable federal, state and local laws and regulations concerning displacement and relocation in accordance with Section 201.1 and 201.2, as applicable;
2. The demolition and removal of all existing structures and improvements, including foundations, and, subject to and as provided in Section 204, remediation of any Hazardous Materials on the Site, the proper disposal and mitigation of lead-based paint, asbestos and other environmental hazards pursuant to the requirements of the Department of Health Services in compliance with all applicable federal, state and local laws and regulations with respect to demolition and/or disposal and mitigation as described above; and

EXHIBIT C

3. Installation and completion of all offsite infrastructure required by the Land Use Approvals, including CEQA mitigation.

III. ARCHITECTURE AND DESIGN

A. BUILDING DESIGN

The following shall be the sole cost and expense of the Developer:

1. The Developer shall develop construction plans and design documents shall be developed in compliance with the Land Use Approvals and shall be consistent with the Conceptual Site Plan. The architecture is expected to create a unique identity with a cohesive, integrated architectural style that complements the surrounding developments. Particular attention shall be paid to massing, scale, color, and materials in order to articulate the buildings elevations. The elevations shall, to extent as possible, avoid flat or one-dimensional elevations. Architectural attention shall be given to the main entrance/lobby of the building, which shall include a porte-cochere that complements the main building.

B. BUILDING SERVICE, PROJECT TRAFFIC AND MANAGEMENT

The following shall be the sole cost and expense of the Developer:

1. The Developer shall develop a building service, project traffic and management plan. The Declaration shall include the following:
 - (a) A service plan that includes general times for deliveries, trash collection, street cleaning and the agreed upon routing for such service-vehicles. This plan shall include routing and stopping for patron drop-off and small service-vehicles including mail, overnight delivery and messengers as well as conference facility deliveries. This plan shall also include routing and marked areas for emergency services.
 - (b) A traffic plan that includes the Developer's commitment to pay for traffic control officers at the entrances to the Parking Structure during holiday peak periods and for special events that are expected to generate large volumes of traffic.
 - (c) A maintenance and management plan that includes cleaning and refuse policing, no visibility into service areas from public streets, degreasing and deodorizing (particularly for the service, trash and garbage areas), re-stripping, re-painting, re-lighting, drainage cleaning, signage, graffiti management and security.

The Project shall be consistent with Section 301.1 of the DDA.

EXHIBIT C

C. LANDSCAPING

All areas of the Site that are not used for buildings, sidewalks, driveways or other hardscape improvements shall be landscaped in accordance with a landscaping plan to be approved by the Agency. The Developer, at its sole cost and expense, shall be responsible for all these area. Landscaping shall consist of ground cover, trees, potted plants, and fountains, pools, or other water features, if applicable. A permanent automatic water sprinkler system shall be provided in all landscaped areas as required for adequate coverage/maintenance.

D. REFUSE

Refuse areas shall be provided in accordance with the requirements of the Land Use Approvals.

E. SIGNS

The following shall be the sole cost and expense of the Developer:

1. The Developer shall develop a sign program. The Project shall have a comprehensive graphics/logos and sign program that shall govern the entire Project; all signs shall conform as to location, size, shape, illumination system, cabinet and copy face colors, letter style, shall be complementary to the overall architectural theme, and comply with the high standards of Underwriter Laboratories. The sign program to be approved by the Agency.

F. UTILITIES

The following shall be the sole cost and expense of the Developer:

The Developer shall be responsible for utility installations for the Project and hookups to public utility lines. All utility service for the Project shall be installed underground or concealed within buildings and any mechanical, electrical, fire sprinkler or plumbing equipment that may be at ground level shall be aesthetically screened except where not permitted by the Garden Grove Municipal Code.

ATTACHMENT NO. 1

HOTEL STANDARDS

Upper Upscale Hotel Prototype Summary

Cast in place concrete frame construction

Program room mix - to be determined after significant market analysis and research with specificity to the Anaheim Resort Areas market needs

Swimming pool with spa

Exterior sun deck

Upper-Upscale Hotel Workout area

Porte-cochere sized to accommodate multiple vehicles

Efficient layout with a cost effective FTE requirement

Line chute

In-house food and beverage operations

Laundry operations

Upper-Upscale Hotel Executive Club Lounge

Elevators - 3 guest, 1 service; all traction with a gearless upgrade option

Public Area Features

Full designed Urban Bar & Eatery concept for the food and beverage outlets

Flexible private dining area

Outlet seating; Eatery - 82 / Bar - 37, exact seating based upon market demand

Wireless high speed internet access throughout all public and function space

Free standing front desk POD design

Movable partitions with a 54 STC rating

Separate function space arrival area

Meeting space minimum pursuant to scope of work, divisible into independent rooms, full back serviced

ATTACHMENT NO. 1

-1-

Pre-function space as required including exterior pre-function area

Audio/Visual system

Full designed, FF&E specified, sourced and priced

Self-service sundry/business center area adjoining the front desk

Upper-Upscale Hotel's express checkout service

Guestroom Features

The Upper-Upscale Hotel Bed in accordance with Flag specified bed

Mixture of Large, three and four-fixture Baths

Upper-Upscale Hotel designed model room

Guestroom HVAC - 2-pipe specified with a 4-pipe option and digital wall thermostats

Two, two-line phone handsets and High Speed Internet Access

Large flat panel LCD television

Pay per view movie system

In room refreshment center

In room safe

Upper-Upscale Hotel Green Program

Electronic card key locks

Full designed, FF&E specified, sourced and priced

Upper-Upscale Hotel brand standard OS&E; specified, sourced and priced

ATTACHMENT NO. 1

-2-

EXHIBIT D

SCHEDULE OF PERFORMANCE – CONDENSED SCHEDULE

	PERFORMANCE ITEM	DATE
1.	Agency and Developer execute DDA.	On or before June 15, 2011.
2.	Agency and Developer open Escrow.	Within thirty (30) days after Agency and Developer execute DDA.
3.	Agency acquires/has control of all Third Party Property.	On or before March 15, 2012.*
4.	Developer completes its Site Investigation pursuant to Section 204.	On or before the Due Diligence Date.
5.	Developer submits and Agency approves the identity of the Hotel Operator, Franchisor, and Franchise Agreement and Developer executes the Franchise Agreement.	On or before January 1, 2013.
6.	Developer submits completed application for PUD/Site Plan approval.	On or before June 1, 2012.
7.	City approves, conditionally approves or rejects PUD/Site Plan	On or before August 1, 2012.
8.	Agency approves or rejects cost of Agency Improvements pursuant to Section 205.1(m).	On or before January 1, 2012.
9.	Developer provides evidence of financing.	On or before March 15, 2013.
10.	Agency completes demolition, Site clearance and remediation, if applicable, pursuant to Paragraph II.1. of the Scope of Development	On or before March 15, 2013.
11.	Developer completes Construction Drawings	On or before January 1, 2013.

* If the Agency does not acquire all of the Third Party Property by such date, then each subsequent date set forth in this Schedule of Performance will be extended on a day-for-day basis for each day after March 15, 2012 through and including the date upon which Agency acquires all of the Third Party Property.

EXHIBIT D

PERFORMANCE ITEM	DATE
12. Developer and Agency Close Escrow and Developer commences grading.	On or before June 15, 2013. ¹
13. Construction Commencement Date.	On or before June 15, 2013.
14. Off Site Improvements Completed by Agency	Concurrently with completion of the Developer Improvements.
15. Developer Completes Construction of the Developer Improvements	Within twenty six (26) month after Close of Escrow.

¹ Although the outside date for the Closing of June 15, 2013, may not be extended for the events described in Section 602, the Closing may be extended until December 15, 2012 provided that, as of December 15, 2013, the Franchise Agreement for the Upper Upscale Hotel is still operative and neither the Developer or the Franchisor is in breach or default thereunder. The Closing may also be extended until June 15, 2014 if on December 15, 2013, the Franchise Agreement for the Upper Upscale Hotel is still operative and neither the Developer or Franchisor are in breach or default thereunder.

EXHIBIT D

EXHIBIT E

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is hereby made as of _____, 20____, by and between _____, a _____ ("_____"), and _____, a _____ ("Assignee").

RECITALS

A. Assignor and the Garden Grove Agency for Community Development (the "Agency") have entered a Disposition and Development Agreement dated _____, 2011 (the "DDA"). Pursuant to the DDA, the Agency agreed to convey [or conveyed] to the Assignor a parcel of real property referred to in the DDA as the "Site," and the Assignor agreed to construct [among other things] _____ thereon.

B. Assignor and Assignee desire to provide by this Assignment for Assignor to assign to Assignee all of its rights and obligations under the DDA [with respect to the portion of the Site described on Exhibit "A" hereto] and for Assignee to accept such assignment and assume all rights and obligations thereunder [with respect to such portion of the Site].

C. Pursuant to Section 103 of the DDA, Agency approval of a Transfer of Assignor's ~~interest~~ interest in the DDA is required in connection with the construction of _____.

D. The parties also desire for Agency to consent to such assignment and assumption, and acknowledge that such assignment and assumption is permitted pursuant to Section 103 of the DDA.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. **Assignment and Assumption.** Assignor hereby assigns to Assignee all of its right, title and interest in and to the DDA [with respect to the portion of the Site described on Exhibit "A" hereto], and Assignee hereby accepts such assignment and assumes performance of all terms, covenants and conditions on the part of Assignor to be performed, occurring or arising under the DDA [with respect to such portion of the Site], from and after the date hereof with respect to _____. From and after the date hereof, Assignor shall be released from and have no further obligations under the DDA [with respect to such portion of the Site], excluding actual claims of Default which Agency made against Assignor in writing prior to the date hereof, the responsibility for which claims have not been assumed by Assignee.

2. **Successors and Assigns.** This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee, their respective successors and assigns and Agency as third party beneficiary hereof.

3. **Governing Law.** This Assignment has been entered into, is to be performed entirely within, and shall be governed by and construed in accordance with the laws of the State of California.

4. **Further Assurances.** Each party hereto covenants and agrees to perform all acts and things, and to prepare, execute, and deliver such written agreements, documents, and instruments as may be reasonably necessary to carry out the terms and provisions of this Assignment.

NOW, THEREFORE, the parties hereto have executed this Assignment as of the date set forth above.

ASSIGNOR:

a _____

By: _____

Its: _____

By: _____

Its: _____

ASSIGNEE:

_____, a

By: _____

Its: _____

EXHIBIT E

CONSENT OF AGENCY TO ASSIGNMENT

Agency hereby acknowledges and consents to the above assignment, and releases Assignor from any further liability under the DDA, except in Assignor's capacity as a member of Assignee.

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: _____

ATTEST:

Agency Secretary

STRADLING YOCCA CARLSON & RAUTH

Agency Special Counsel

EXHIBIT E

-3-

EXHIBIT F

GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO
AND SEND TAX STATEMENTS TO:

Garden Grove Agency for
Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Agency Director

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

A. The Redevelopment Plan for the Garden Grove Community Project was approved and adopted by the City Council of the City of Garden Grove by Ordinance No. 1339, as amended by Ordinance Nos. 1388, 1476, 1548, 1576, 1642, 1699, 1760, 2035 and 2232; said ordinances and the Redevelopment Plan as so approved and amended (the "Redevelopment Plan") are incorporated herein by reference.

B. The Grantee shall refrain from restricting the rental, sale or lease of the applicable portion of the Site or the Developer Improvements on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

EXHIBIT F

-1-

2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

3. In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants against discrimination, set forth in this Section B shall continue in effect in perpetuity.

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

D. All of the terms, covenants and conditions of this Grant Deed shall be binding upon the Grantee and its successors and assigns. Whenever the term "Grantee" is used in this Grant Deed, such term shall include any other successors and assigns as herein provided.

E. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor, the City of Garden Grove, and their respective successors and assigns. Such covenants shall be covenants running with the land in favor of the Grantor, the City of Garden Grove, and their respective successors and assigns for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The

EXHIBIT F

Grantor, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized, this _____ day of _____, 2011.

GRANTOR:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public
body, corporate and politic

Dated: _____, 2011

By: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Thomas P. Clark, Jr.
Agency General Counsel

The undersigned Grantee accepts title subject to the covenants hereinabove set forth.

GRANTEE:

a _____

Dated: _____, 2011

By: _____
Its: _____

EXHIBIT F

-3-

EXHIBIT G

RELEASE OF CONSTRUCTION COVENANTS

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____, California _____
Attention: _____

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

RELEASE OF CONSTRUCTION COVENANTS

This RELEASE OF CONSTRUCTION COVENANTS (the "Release") is made by the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency"), in favor of _____, a _____ (the "Developer"), as of the date set forth below.

RECITALS

A. The Agency and the Developer have entered into that certain Disposition and Development Agreement dated _____ (the "DDA") concerning the redevelopment of certain real property situated in the City of Garden Grove, California as more fully described in Exhibit "A" attached hereto and made a part hereof.

B. As referenced in Section 310 of the DDA, the Agency is required to furnish the Developer or its successors with a Release of Construction Covenants (as defined in Section 100 of the DDA) upon completion of construction of the Developer Improvements (as defined in Section 100 of the DDA) or a portion thereof, which Release is required to be in such form as to permit it to be recorded in the Recorder's office of Orange County. This Release is conclusive determination of satisfactory completion of the construction and development required by the DDA of the Developer Improvements or such portion thereof as described in Exhibit "A" attached hereto and incorporated herein by reference.

C. The Agency has conclusively determined that such construction and development has been satisfactorily completed.

NOW, THEREFORE, the Agency hereby certifies as follows:

1. The Developer Improvements or portion thereof to be constructed by the Developer has been fully and satisfactorily completed in conformance with the DDA and is free of any claims and/or liens. Any operating requirements and all use, maintenance, security or nondiscrimination covenants contained in the DDA and other documents executed and recorded pursuant to the DDA shall remain in effect and enforceable according to their terms.

EXHIBIT G

2. Nothing contained in this instrument shall modify in any other way any other provisions of the DDA.

IN WITNESS WHEREOF, the Agency has executed this Release this _____ day of _____, 20__.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public
body, corporate and politic

Dated: _____, 2011

By: _____
Agency Director

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Special Counsel

DEVELOPER

a _____

Dated: _____, 2011

By: _____
Its: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT H

RIGHT OF ENTRY AGREEMENT

This RIGHT OF ENTRY AGREEMENT (the "Agreement") is entered into _____, 2011, by and between _____, a _____ ("GRANTEE") and the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic ("GRANTOR").

RECITALS

A. GRANTOR, as "Agency," and GRANTEE, as "Developer," entered into that certain Disposition and Development Agreement dated _____ (the "DDA"), pursuant to which the GRANTOR agreed, subject to the fulfillment of the Agency's Conditions Precedent to convey the Site to the GRANTEE and GRANTEE agreed, subject to Developer's Conditions Precedent to accept Conveyance of the Site and construct the Developer Improvements thereon. All capitalized terms not defined herein shall have the meaning set forth in the DDA, unless the context dictates otherwise.

B. GRANTOR currently owns the Agency Parcels and is in the process of acquiring the Third Party Property. If and to the extent the GRANTOR acquires the Third Party Property or is granted the right of entry with respect to the Third Party Property such Third Party Property shall be deemed to be part of the Agency Parcels hereunder.

RIGHT OF ENTRY AGREEMENT

1. Grant of Right of Entry. The GRANTOR hereby grants the GRANTEE, its employees, consultants, contractors, subcontractors, agents, tenants, purchasers, and designees, permission to enter upon the Agency Parcels ("Right of Entry") for the purpose of performing or causing to be performed environmental, soils, and/or topographical tests and surveys ("Investigation") and for the purpose of clearing, demolishing and rough grading ("Grading").

2. Termination. This Agreement shall terminate upon the earlier to occur of (i) _____, 20____, (ii) the Closing or (iii) termination of the DDA, unless otherwise extended by mutual agreement of the parties.

3. Assumption of Risk. GRANTEE enters the Agency Parcels and performs or causes to be performed the Investigation, at its own risk and subject to whatever hazards or conditions may exist on the Agency Parcels.

4. Condition of Agency Parcels Upon Termination of DDA Prior to Conveyance. If the DDA and this Agreement are terminated prior to Conveyance (a) in the case of Investigation, GRANTEE shall repair or replace any landscaping, structures, fences, driveways, or other improvements that are removed, damaged, or destroyed by Grantee's employees, contractors, subcontractors, agents and designees, and (b) in the case of Grading of the Agency Parcels, the Developer shall provide a rough graded level site.

EXHIBIT H

-1-

5. Indemnification and hold harmless. GRANTEE shall indemnify, defend and hold harmless the GRANTOR and City, their officers, directors, employees, contractors, subcontractors, agents, and volunteers ("Indemnitees") from any and all claims, suits or actions of every name, kind and description, brought forth on account of injuries to or the death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by the GRANTEE or any person directly or indirectly employed by or acting as agent for GRANTEE in the performance of this Right of Entry, except that such indemnity shall not apply to the extent such matters are caused by the negligence or willful misconduct of the GRANTOR, its officers, agents, employees or volunteers.

It is understood that the duty of GRANTEE to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Right of Entry does not relieve GRANTEE from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

6. Insurance. During the term of this Right of Entry, GRANTEE and its contractors, subcontractors and agents shall fully comply with the terms of the law of the State of California concerning worker's compensation and shall provide insurance in accordance with the DDA.

7. Recording. Neither GRANTOR nor GRANTEE shall record this Right of Entry.

8. Attorney's Fees. If any legal action or proceeding arising out of or relating to this Right of Entry is brought by either party to this Right of Entry, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action or proceeding by the prevailing party.

9. Notices. All notices required or permitted under the terms of this DDA shall be in writing and sent to:

To Grantor: Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Agency Director

with a copy to: Stradling, Yocca, Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Thomas P. Clark, Jr.

To Grantee: Matthew Reid
Land & Design, Inc.
8130 La Mesa Boulevard #808
La Mesa, California 91942

EXHIBIT H

-2-

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
501 West Broadway, 15th Floor
San Diego, California 92101
Attention: Tom Crosbie

10. Time is of the Essence: Entire Agreement. Time is of the essence of the terms and provisions of this Right of Entry. This Right of Entry constitutes the entire agreement between GRANTEE and GRANTOR with respect to the matters contained herein, and no alteration, amendment or any part thereof shall be affective unless in writing signed by parties sought to be charged or bound thereby.

11. Assignment. This Agreement shall be assignable as security to Grantee's Holder for the purposes and with the limitations set forth herein.

APPROVED BY: GRANTEE
LAND & DESIGN, INC.,
a California corporation

Dated: _____, 2011 By: _____
Its: _____

GRANTOR:
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT, a public
body, corporate and politic

Dated: _____, 2011 By: _____
Its: _____

EXHIBIT I

PREVAILING WAGE AND PUBLIC WORKS REQUIREMENTS

I. Developer's Requirements:

(1) Obtain the prevailing wage rate from the Director of Industrial Relations in accordance with Labor Code Sections 1771 and 1773.

(2) Specify the appropriate prevailing wage rates, in accordance with Labor Code Sections 1773.2 and 1777.5.

(A) The posting requirement is applicable for each job site.

EXCEPTION: If more than one worksite exists on any project, then the applicable rates may be posted at a single location which is readily available to all workers.

(B) If a wage rate for a craft, classification or type of worker is not published in the Director's general prevailing wage determinations, a request for a special determination should be made by the awarding body to Chief, Division of Labor Statistics and Research, P.O. Box 420603, San Francisco, CA 94142, at least 45 days prior to the project bid advertisement date.

(3) Notify the Division of Apprenticeship Standards, Department of Industrial Relations. See Labor Code Section 1773.3.

(4) Inform prime contractors, to the extent feasible, of relevant public work requirements:

NOTE: Requirement information may be disseminated at a pre-acceptance of bid conference or in a call for bids or at an award of bid conference.

The public works requirements are:

(A) the appropriate number of apprentices are on the job site, as set forth in Labor Code Section 1777.5.

(B) workers' compensation coverage, as set forth in Labor Code Sections 1860 and 1861.

(C) keep accurate records of the work performed on public works projects, as set forth in Labor Code Section 1812.

(D) inspection of payroll records pursuant to Labor Code Section 1776, and as set forth in Section 16400 (e) of Title 8 of the California Code of Regulations.

(E) and other requirements imposed by law.

(5) Withhold monies. See Labor Code Section 1727.

EXHIBIT I

-1-

(6) Ensure that public works projects are not split or separated into smaller work orders or projects for the purpose of evading the applicable provisions of Labor Code Section 1771.

(7) Deny the right to bid on public work contracts to contractors or subcontractors who have been debarred from bidding on public works contracts, as set forth in Labor Code Section 1777.7.

(8) Not permit workers on public works to work more than eight hours a day or 40 hours in any one calendar week, unless compensated at not less than time and a half as set forth in Labor Code Section 1815.

EXCEPTION: If the prevailing wage determination requires a higher rate of pay for overtime work than is required under Labor Code Section 1815, then that higher overtime rate must be paid, as specified in subsection 16200(a)(3)(F) of Title 8 of the California Code of Regulations.

(9) Not take or receive any portion of the workers' wages or accept a fee in connection with a public works project, as set forth in Labor Code Sections 1778 and 1779.

(10) Comply with those requirements as specified in Labor Code Sections 1776(g), 1777.5, 1810, 1813, and 1860.

II. Contractor and Subcontractor Requirements.

The contractor and subcontractors shall:

(1) Pay not less than the prevailing wage to all workers, as defined in Section 16000 of Title 8 of the California Code of Regulations, and as set forth in Labor Code Sections 1771 and 1774;

(2) Comply with the provisions of Labor Code Sections 1773.5, 1775, and 1777.5 regarding public works jobsites;

(3) Provide workers' compensation coverage as set forth in Labor Code Section 1861;

(4) Comply with Labor Code Sections 1778 and 1779 regarding receiving a portion of wages or acceptance of a fee;

(5) Maintain and make available for inspection payroll records, as set forth in Labor Code Section 1776;

(6) Pay workers overtime pay, as set forth in Labor Code Section 1815 or as provided in the collective bargaining agreement adopted by the Director of Industrial Relations as set forth in Section 16200 (a) (3) of Title 8 of the California Code of Regulations;

(7) Comply with Section 16101 of Title 8 of the California Code of Regulations regarding discrimination;

EXHIBIT I

(8) Be subject to provisions of Labor Code Section 1777.7 which specifies the penalties imposed on a contractor who willfully fails to comply with provisions of Section 1777.5;

(9) Comply with those requirements as specified in Labor Code Sections 1810 and 1813; and

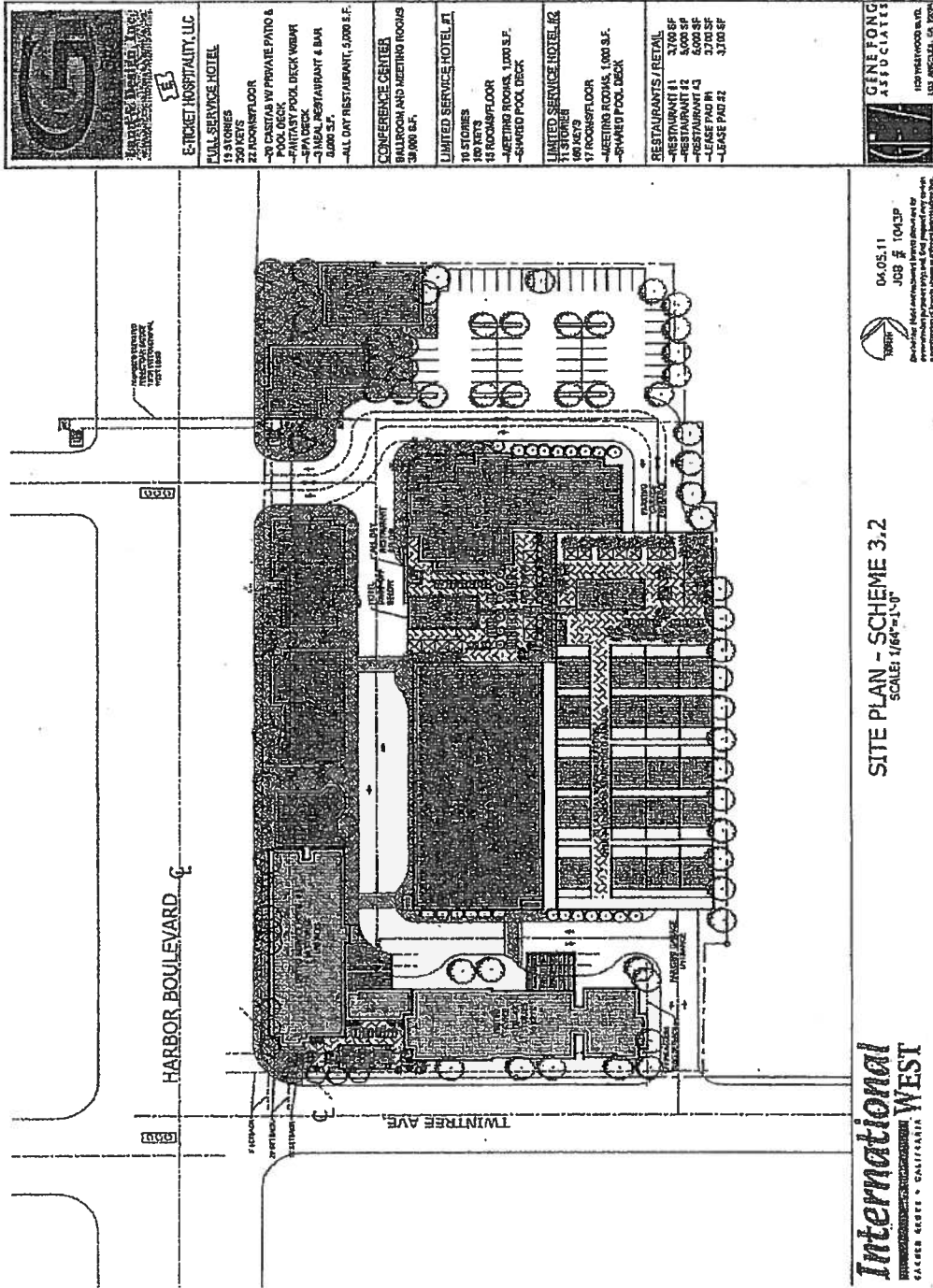
(10) Comply with other requirements imposed by law.


EXHIBIT I


-3-

EXHIBIT J

CONCEPTUAL SITE PLAN



 <p>GENE FONG ASSOCIATES 105 MIDWOOD BLVD. LOS ANGELES, CA 90024</p>	<p>E-TICKET HOSPITALITY, LLC</p> <p>FULL SERVICE HOTEL</p> <p>13 STORES 220 KETS</p> <p>22 ROOM/FLOOR -70 CASITAS W/ PRIVATE PATIO & POOL DECK -PARTY POOL DECK W/ BAR -SPA DECK -RESTAURANT & BAR 7,000 S.F. -ALL DAY RESTAURANT, 5,000 S.F.</p>
	<p>CONFERENCE CENTER</p> <p>BALLROOM AND MEETING ROOMS 38,000 S.F.</p>
<p>LIMITED SERVICE HOTEL #1</p> <p>10 STORES 150 KETS</p> <p>15 ROOM/FLOOR -MEETING ROOMS, 1,000 S.F. -SHWED POOL DECK</p>	
<p>LIMITED SERVICE HOTEL #2</p> <p>11 STORES 160 KETS</p> <p>17 ROOM/FLOOR -MEETING ROOMS, 1,000 S.F. -SHWED POOL DECK</p>	
<p>RESTAURANTS / RETAIL</p> <p>-RESTAURANT #1 3,700 SF -RESTAURANT #2 5,000 SF -RESTAURANT #3 5,000 SF -GENE FONG #1 3,700 SF -GENE FONG #2 3,700 SF</p>	

04.05.11
JOB # 1043P

 International Engineering West
 105 Midwood Blvd.
 Los Angeles, CA 90024

SITE PLAN - SCHEME 3.2
SCALE: 1/8" = 1'-0"

International
ENGINEERING WEST
105 MIDWOOD BLVD.
LOS ANGELES, CA 90024

EXHIBIT K

MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO
AND SEND TAX STATEMENTS TO:

Garden Grove Agency for
Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Agency Director

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** (the "Agreement") is entered into as of _____, 2011 by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic (the "Agency"), and **LAND & DESIGN, INC.**, a California corporation (hereinafter referred to as "Developer").

RECITALS

1. Recordation of Memorandum of Agreement. This Memorandum of Agreement evidences that certain Disposition and Development Agreement between the Agency and the Developer dated _____ ("DDA"). Capitalized terms not defined herein shall have the meaning set forth in the DDA. When recorded at the Closing the DDA is a burden against Developer's fee simple interest in the Site which Site is more particularly described in Attachment No. 1 attached hereto and incorporated herein by reference. The DDA provides, among other things, and subject to the fulfillment of certain Condition Precedent, for a conveyance of the Site to the Developer and for the development and operation by Developer thereon of a Hotel and Retail/Restaurant/Entertainment Component. The Covenants shall run with the land and be binding upon the heirs, successors and assigns of Developer.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXHIBIT K

-1-

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement as of the ____ day of _____, 2011.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public
body, corporate and politic

Dated: _____, 2011

By: _____
Agency Director

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency General Counsel

DEVELOPER

LAND & DESIGN, INC., a California corporation

Dated: _____, 2011

By: _____
Its: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT K

-4-

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary
Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT K

-5-

ATTACHMENT NO. 1 TO EXHIBIT K

LEGAL DESCRIPTION

ATTACHMENT NO. 1 TO EXHIBIT K

-1-

EXHIBIT L

**PRE-APPROVED HOTEL FRANCHISES AND
RESTAURANT TENANT(S)/OPERATOR(S)**

Pre-Approved Limited Service Hotels

Aloft (Starwood)
Cambria Suites (Choice Hotels)
Country Inn and Suites (Carlson)
Courtyard (Marriott)
Element (Starwood)
Fairfield Inn and Suites (Marriott)
Four Points by Sheraton (Starwood)
Hotel Indigo (IHG)
Hyatt Place (Hyatt)
Nickelodeon Hotel
Springhill Suites (Marriott)
Summerfield Suites (Hyatt)
Towne Place Suites (Marriott)
Wingate (Wyndham)

Pre Approved Upper Upscale Hotels

Autograph Collection (Marriott)
Destination Hotels and Resorts
Fairmont
Four Seasons
Inter-Continental Hotel
Joie de Vivre Hotels
Jumeira Hotels
JW Marriott
Kessler Collection
Kimpton Hotel
Le Méridien
Loews
Luxury Collection (Starwood)
Marriott Hotels
MGM Hotel
Nickelodeon Hotel
Omni
Pan Pacific Hotel
Peabody Hotel
Planet Hollywood Hotel
Radisson Blu
Renaissance
Rosen Hotel
Sol Melia Hotels
Sonesta
Taj Hotel(s)
W Hotels

EXHIBIT L

-1-

Westin
Wyndham Collection/Resort

Pre-Approved List of Full-Service Restaurants:

Applebees
Bahama Breeze
Bahama Breeze
BJ's Restaurant and Brewery
Black Angus
Bonefish Grill
Buffalo Wild Wings Grill and Bar
Burgerville USA
California Pizza Kitchen
Capital Grill
Carrabba's Italian Grill
Cheeseburger in Paradise
Chevy's
Chili's Grill and Bar
Chuy's Mesquite Broiler
Claim Jumper
Daily Grill
Daily Grill/The Grill
Elephant Bar
Emerill's
Famous Dave's
Farrell's
Fleming's Steakhouse
Gladstones
Golden Corral
Grand Luxe Cafe
Granite City Food and Brewery
Hard Rock Café
Houston's
Il Fornaio Cucina Italiano
Islands
Johnny Carino's
Johnny Rockets
King's Fish House
Landry's Seafood
Laundry's Aquarium Restaurant
Logan's Roadhouse
Lone Star Steakhouse
LongHorn Steakhouse
Lucilles BBQ
Maggiano's/Corner Bakery Café
Maloney's
Margaritaville
Marie Callendar's/Babe's BBQ
Moe's Southwest Grill
Nascar Café

EXHIBIT L

-2-

Nobu
Old Chicago
Olive Garden
On the Border
Panda Inn
Papa Bello
Pat and Oscars
Pizzeria Uno
Prego
Qdoba Mexican Grill
RA Sushi Bar
Roadhouse Grill
RockSugar
Romano's Macaroni Grill
Ruby Tuesday's
Ruby's Diner
Season's 52
Sevilla
Smith & Wollensky
Smokey Bones BBQ
Spaghetti Factory
Texas Roadhouse
TGI Fridays
T-Rex
Uno Chicago
Wolfgang Pucks
Yard House
Z Tejas Grill

Pre-Approved List of Quick-Service Restaurants/Retail:

Crepe Café
Earl of Sandwich
Five Guys Hamburgers
Jerry Woodfired Hot Dogs
Panda Express
Panera Bread
Pink's Famous Hot Dogs
Portillos
Quiznos
Subway
The Hat
Togo's
Tommy's World Famous Hamburgers

EXHIBIT L

-3-

Pre-Approved List of Specialty Restaurants:

California Welcome Center (official State of California Retail Storefront)
Coffee Bean
Coffee Bean and Tea Leaf
Dunkin Donuts
Ghirardelli Soda Fountain & Chocolate Shop
Haagen Dazs
Jamba Juice
Lego Store
Peet's Coffee
Pink Berry
Sea World Store
Southern Maid Donut Shops
Starbucks
Universal Studios Store
Wetzels Pretzels
Yogurt Land

Pre-Approved List of Entertainment Uses

B.B. King's Blues Cafe
Fox Sports Grill
House of Blues
Howl at the Moon
Improv
Jillians
Landry's Aquarium
Laugh Out Loud Comedy
Madame Tussauds
NBA Café/City
Ripley's Aquarium
Ripley's Believe It or Not (or similar Ripley's Entertainment Venue)
Sea Life Centre
Warren and Annabelle's Magic Show or affiliate
Wonderworks

EXHIBIT L

-4-

EXHIBIT M

**COVENANT CONSIDERATION
COMPUTATION EXAMPLE**

ANNUAL UPPER UPSCALE HOTEL COVENANT CONSIDERATION =
58% TOT + 50% (REMAINING REVENUES - 14.28% OF AGENCY IMPROVEMENT COST BUT NOT LESS THAN ZERO (0)).

TOTAL COVENANT CONSIDERATION COMPUTATION EXAMPLE
ASSUME THE FOLLOWING HYPOTHETICAL ASSUMPTION WITH REGARD TO THE UPPER UPSCALE HOTEL:

ADR	\$180
Number of Rooms	370
Occupancy Rate	70%
Total Agency Improvement Costs	\$16,800,000
Total Development Value	\$81,000,000
Total Annual Sales Tax Revenues	\$7,530,000
14.28% of Agency Improvement Costs	\$2,257,143

Year	Total Transient Occupancy Tax Revenues	58% Transient Occupancy Tax Revenues Per Section 403 (a)	Net Tax Incremental Revenues (70%)	Total Sales Tax Revenues	Total (42% of Transient Occupancy Tax Revenues + Net Tax Incremental Revenues + Sales Tax Revenues)	Amount Applied to Agency Improvement Costs	Remainder of Total Revenues	80% of Remaining Revenues
1	\$2,212,110	\$1,289,029	\$557,000	\$75,200	\$1,571,350	\$1,571,350	(\$65,793)	\$0
2	\$2,278,423	\$1,321,520	\$578,340	\$76,896	\$1,612,108	\$1,612,108	(\$65,034)	\$0
3	\$2,345,837	\$1,361,185	\$589,907	\$78,342	\$1,653,928	\$1,653,020	(\$60,223)	\$0
4	\$2,417,347	\$1,402,000	\$601,705	\$79,808	\$1,696,856	\$1,698,856	(\$50,287)	\$0
5	\$2,493,729	\$1,444,090	\$613,738	\$81,507	\$1,740,845	\$1,740,845	(\$51,188)	\$0
6	\$2,574,492	\$1,487,562	\$626,014	\$83,157	\$1,786,221	\$1,786,221	(\$47,022)	\$0
7	\$2,641,338	\$1,532,004	\$638,534	\$84,800	\$1,832,718	\$1,832,718	(\$42,427)	\$0
8	\$2,720,827	\$1,577,984	\$651,303	\$86,496	\$1,880,484	\$1,880,484	\$0	\$0
9	\$2,802,346	\$1,626,203	\$664,331	\$88,226	\$1,929,509	\$1,929,500	\$0	\$0
10	\$2,888,314	\$1,674,062	\$677,617	\$89,990	\$1,978,550	\$95,880	\$1,883,670	\$841,950
11	\$2,972,893	\$1,724,284	\$691,170	\$91,790	\$2,031,578	\$0	\$2,031,678	\$1,015,790
12	\$3,052,080	\$1,776,012	\$704,893	\$93,628	\$2,084,697	\$0	\$2,084,697	\$1,042,348
13	\$3,123,833	\$1,828,203	\$719,093	\$95,499	\$2,138,202	\$0	\$2,138,202	\$0
14	\$3,248,571	\$1,884,171	\$733,475	\$97,408	\$2,195,243	\$0	\$2,195,243	\$0
15	\$3,348,028	\$1,940,697	\$748,144	\$99,357	\$2,252,653	\$0	\$2,252,653	\$0
16	\$3,446,409	\$1,998,917	\$763,107	\$101,344	\$2,311,943	\$0	\$2,311,943	\$0
17	\$3,549,602	\$2,058,865	\$776,368	\$103,371	\$2,372,657	\$0	\$2,372,657	\$0
18	\$3,606,208	\$2,120,681	\$793,937	\$105,428	\$2,434,019	\$0	\$2,434,019	\$0
19	\$3,705,893	\$2,184,271	\$809,818	\$107,547	\$2,496,078	\$0	\$2,496,078	\$0
20	\$3,807,884	\$2,248,738	\$826,012	\$109,698	\$2,564,875	\$0	\$1,628,155	\$0

N/A

EXHIBIT M

ANNUAL LIMITED SERVICE HOTEL(S) COVENANT CONSIDERATION =
 50% (NET TAX INCREMENT REVENUES + SALES TAX REVENUES +
 TRANSIENT OCCUPANCY TAX REVENUES).

TOTAL COVENANT CONSIDERATION COMPUTATION EXAMPLE

ASSUME THE FOLLOWING HYPOTHETICAL ASSUMPTION WITH REGARD TO THE LIMITED SERVICE HOTEL(S):

ADR	\$120
Number of Rooms	300
Occupancy Rate	70%
Total Development Value	\$50,000,000
Total Annual Sales Tax Revenues	\$0

Year	Total Transient Occupancy Tax Revenues	Net Tax Increment Revenues	Total (Transient Occupancy Tax Revenues + Net Tax Increment Revenues + Sales Tax Revenues)	50% of Total Revenues Per Section 410
1	\$1,106,740	\$350,000	\$1,546,740	\$772,870
2	\$1,231,612	\$357,000	\$1,588,612	\$794,306
3	\$1,268,591	\$364,140	\$1,632,701	\$816,350
4	\$1,306,617	\$371,423	\$1,678,040	\$839,020
5	\$1,345,616	\$378,851	\$1,724,667	\$862,334
6	\$1,385,190	\$386,428	\$1,772,610	\$886,309
7	\$1,427,776	\$394,157	\$1,821,933	\$910,966
8	\$1,470,609	\$402,040	\$1,872,649	\$936,325
9	\$1,514,328	\$410,081	\$1,924,606	\$962,404
10	\$1,560,169	\$418,282	\$1,978,452	\$989,226
11	\$1,606,975	\$426,648	\$2,033,623	\$0
12	\$1,655,184	\$435,161	\$2,090,365	\$0
13	\$1,704,839	\$443,885	\$2,148,724	\$0
14	\$1,755,885	\$452,762	\$2,208,647	\$0
15	\$1,808,664	\$461,818	\$2,270,482	\$0
16	\$1,862,924	\$471,054	\$2,333,978	\$0
17	\$1,918,812	\$480,475	\$2,399,287	\$0
18	\$1,976,376	\$489,884	\$2,466,481	\$0
19	\$2,035,667	\$499,886	\$2,535,653	\$0
20	\$2,096,737	\$509,884	\$2,608,621	\$0

EXHIBIT M

**ANNUAL LIMITED SERVICE HOTEL(S) COVENANT CONSIDERATION =
50% (NET TAX INCREMENT REVENUES + SALES TAX REVENUES +
TRANSIENT OCCUPANCY TAX REVENUES).**

ADR	\$120
Number of Rooms	300
Occupancy Rate	70%
Total Development Value	\$50,000,000
Total Annual Sales Tax Revenues	\$0

Year	Total Transient Occupancy Tax Revenues	Net Tax Increment Revenues	Total (Transient Occupancy Tax Revenues + Net Tax Increment Revenues + Sales Tax Revenues)	50% of Total Revenues Per Section 410	Total Revenue City	Total Developer Revenue
1	\$1,195,740	\$350,000	\$1,545,740	\$772,870	\$772,870	\$1,370,740
2	\$1,231,612	\$357,000	\$1,588,612	\$794,306	\$794,306	\$1,410,112
3	\$1,268,561	\$364,140	\$1,632,701	\$816,350	\$816,350	\$1,450,631
4	\$1,306,617	\$371,423	\$1,678,040	\$839,020	\$839,020	\$1,492,329
5	\$1,345,816	\$378,851	\$1,724,667	\$862,334	\$862,334	\$1,535,242
6	\$1,386,190	\$386,428	\$1,772,619	\$886,309	\$886,309	\$1,579,405
7	\$1,427,776	\$394,157	\$1,821,933	\$910,966	\$910,966	\$1,624,855
8	\$1,470,609	\$402,040	\$1,872,649	\$936,325	\$936,325	\$1,671,629
9	\$1,514,728	\$410,081	\$1,924,808	\$962,404	\$962,404	\$1,719,768
10	\$1,560,169	\$418,282	\$1,978,452	\$989,226	\$989,226	\$1,769,311
11	\$1,606,975	\$426,648	\$2,033,623	\$0	\$0	\$0
12	\$1,655,184	\$435,181	\$2,090,365	\$0	\$0	\$0
13	\$1,704,839	\$443,885	\$2,148,724	\$0	\$0	\$0
14	\$1,755,985	\$452,762	\$2,208,747	\$0	\$0	\$0
15	\$1,808,664	\$461,818	\$2,270,482	\$0	\$0	\$0
16	\$1,862,924	\$471,054	\$2,333,978	\$0	\$0	\$0
17	\$1,918,812	\$480,475	\$2,399,287	\$0	\$0	\$0
18	\$1,976,376	\$490,084	\$2,466,461	\$0	\$0	\$0
19	\$2,035,667	\$499,886	\$2,535,553	\$0	\$0	\$0
-	\$2,096,737	\$509,884	\$2,606,621	\$0	\$0	\$0

\$23,867,072

ANNUAL UPPER UPSCALE HOTEL COVENANT CONSIDERATION =
 58% TOT + 50% (REMAINING REVENUES - 14.29% OF AGENCY IMPROVEMENT COST BUT NOT LESS THAN ZERO (

TOTAL COVENANT CONSIDERATION COMPUTATION EXAMPLE

ASSUME THE FOLLOWING HYPOTHETICAL ASSUMPTION WITH REGARD TO THE UPPER UPSCALE HOTEL:

ADR	\$180
Number of Rooms	370
Occupancy Rate	70%
Total Agency Improvement Costs	\$15,800,000
Total Development Value	\$81,000,000
Total Annual Sales Tax Revenues	\$7,530,000
14.29% of Agency Improvement Costs	\$2,257,143

Year	Total Transient Occupancy Tax Revenues	58% Transient Occupancy Tax Revenues Per Section 409 (a)	Net Tax Increment Revenues (70%)	Total Sales Tax Revenues	Total (42% of Transient Occupancy Tax Revenues + Net Tax Increment Revenues + Sales Tax	Amount Applied to Agency Improvement Costs	Remainder of Total Revenues	50% of Remaining Revenues
1	\$2,212,119	\$1,283,029	\$567,000	\$75,300	\$1,571,390	\$1,571,390	(\$685,753)	\$0
2	\$2,278,483	\$1,321,520	\$578,340	\$76,806	\$1,612,109	\$1,612,109	(\$645,034)	\$0
3	\$2,346,837	\$1,361,165	\$589,907	\$78,342	\$1,653,920	\$1,653,920	(\$603,223)	\$0
4	\$2,417,242	\$1,402,000	\$601,705	\$79,909	\$1,696,856	\$1,696,856	(\$560,287)	\$0
5	\$2,489,759	\$1,444,060	\$613,739	\$81,507	\$1,740,945	\$1,740,945	(\$516,198)	\$0
6	\$2,564,452	\$1,487,382	\$626,014	\$83,137	\$1,786,221	\$1,786,221	(\$470,922)	\$0
7	\$2,641,386	\$1,532,004	\$638,534	\$84,800	\$1,832,716	\$1,832,716	(\$424,427)	\$0
8	\$2,720,627	\$1,577,964	\$651,305	\$86,496	\$1,880,464	\$1,880,464	\$0	\$0
9	\$2,802,246	\$1,625,303	\$664,331	\$88,228	\$1,929,500	\$1,929,500	\$0	\$0
10	\$2,886,314	\$1,674,062	\$677,617	\$89,990	\$1,979,860	\$95,880	\$1,883,980	\$941,990
11	\$2,972,903	\$1,724,284	\$691,170	\$91,790	\$2,031,579	\$0	\$2,031,579	\$1,015,790
12	\$3,062,090	\$1,776,012	\$704,993	\$93,626	\$2,084,697	\$0	\$2,084,697	\$1,042,349
13	\$3,153,953	\$1,829,293	\$719,093	\$95,499	\$2,139,252	\$0	\$2,139,252	\$0
14	\$3,248,571	\$1,884,171	\$733,475	\$97,409	\$2,195,283	\$0	\$2,195,283	\$0
15	\$3,346,028	\$1,940,697	\$748,144	\$99,357	\$2,252,833	\$0	\$2,252,833	\$0
16	\$3,446,409	\$1,998,917	\$763,107	\$101,344	\$2,311,943	\$0	\$2,311,943	\$0
17	\$3,549,802	\$2,058,885	\$778,369	\$103,371	\$2,372,657	\$0	\$2,372,657	\$0
18	\$3,656,296	\$2,120,651	\$793,937	\$105,438	\$2,435,019	\$0	\$2,435,019	\$0
19	\$3,765,985	\$2,184,271	\$809,816	\$107,547	\$2,499,076	\$0	\$2,499,076	\$0
-	\$3,878,964	\$2,249,799	\$826,012	\$109,698	\$2,564,875	\$0	\$1,629,165	\$0

\$34,475,470

\$3,000,128 \$37,475,598 57

Subject: Re: Site "C"

From: David Rose <drose3@charter.net>

Date: Wed, 15 Jul 2015 12:25:18 -0700

To: "Morgan, Jayna" <Jayna.Morgan@aecom.com>

CC: Alana Cheng <alanac@ci.garden-grove.ca.us>, David Rose <drose3@hotmail.com>, Matthew Reid <matt.reid@landanddesign.com>, "Kimble, Vivianne" <Vivianne.Kimble@aecom.com>, Karl Hill <karlh@ci.garden-grove.ca.us>, Maria Parra <mariap@ci.garden-grove.ca.us>

Jayna:

I hope all is well and you've been chilling by the pool "too much".

We've got some minor, what should be non-material, changes to the write-up from last week.

Unfortunately, I've been slammed with travel and other stuff.

As such, I'll hopefully get to you no later than this Friday.

Dave

Sent from my iPad

Please forgive any errors.

On Jul 14, 2015, at 5:41 PM, Morgan, Jayna <Jayna.Morgan@aecom.com> wrote:

Thanks Alana.

Have a great evening!

Jayna Morgan

Environmental Planner/Senior Project Manager

AECOM

999 Town & Country Road, Orange, CA 92868

T 714.567.2417 F 714.567.2760

www.aecom.com

From: Alana Cheng [<mailto:alanac@ci.garden-grove.ca.us>]

Sent: Tuesday, July 14, 2015 5:38 PM

To: Morgan, Jayna

Cc: Dave Rose; David Rose; Matthew Reid; Kimble, Vivianne; Karl Hill; Maria Parra

Subject: Re: Site "C"

Hi Jayna,

Of course, thank you for getting the scope of work and insurance docs to us so quickly.

Yes, you are correct.

Alana Cheng

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>
To: "Alana Cheng" <alanac@ci.garden-grove.ca.us>, "Karl Hill" <karlh@ci.garden-grove.ca.us>, "Maria Parra" <mariap@ci.garden-grove.ca.us>
Cc: "Dave Rose" <drose3@charter.net>, "David Rose" <drose3@hotmail.com>, "Matthew Reid" <matt.reid@landanddesign.com>, "Vivianne Kimble" <Vivianne.Kimble@aecom.com>
Sent: Tuesday, July 14, 2015 4:46:13 PM
Subject: RE: Site "C"

Ok, great Alana. Thanks so much.

As I understand the process, the contract can be signed by Susan due to the small dollar amount. So there will be no delay one you receive the document from the developer.

Jayna Morgan
Environmental Planner/Senior Project Manager

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From: Alana Cheng [<mailto:alanac@ci.garden-grove.ca.us>]
Sent: Tuesday, July 14, 2015 4:33 PM
To: Morgan, Jayna; Karl Hill; Maria Parra
Cc: Dave Rose; David Rose; Matthew Reid
Subject: Re: Site "C"

Hi Jayna,

Yes the contracts are already in process, just waiting on the documents from the developer so we can process them concurrently.

Alana

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>
To: "Matthew Reid" <matt.reid@landanddesign.com>
Cc: "Dave Rose" <drose3@charter.net>, "David Rose" <drose3@hotmail.com>, "Alana Cheng (alanac@ci.garden-grove.ca.us)" <alanac@ci.garden-grove.ca.us>
Sent: Tuesday, July 14, 2015 1:47:42 PM
Subject: RE: Site "C"

Hi Matt-

Good to hear from you. Regarding your request, I need to check with the City as I believe that they will want us to be under direct contract to them since it is a CEQA addendum document.

Also- it will be a very long contract process if AECOM has never contracted with the entity below. I have our contract people checking our system to see if they have been a past client.

Also, I believe the City has already started the contract with them since it is something that can be signed by the Director/Susan due to the small amount. We already gave the City our updated insurance certificates.

Alana- please let me know if the process has been started.

Thanks!

Jayna Morgan

Environmental Planner/Senior Project Manager

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T 714.567.2417 F 714.567.2760

www.aecom.com

From: Matthew Reid [<mailto:matt.reid@landanddesign.com>]

Sent: Tuesday, July 14, 2015 8:15 AM

To: Morgan, Jayna

Cc: Dave Rose; David Rose

Subject: Re: Site "C"

Importance: High

Good Morning Jayna,

I'm not sure if this was the "final" version of your proposal or not as I know you and Dave have been communicating directly (which is fine). We want to get this process moving, therefore I'll ask that you revise the proposal to be addressed to Bainbridge Capital (our JV Partner) with signature block changes so we can get started. We understand the City will be the lead agency, however to expedite the approval of the work (and to get moving, rather than waiting for the City to draw up a reimbursement agreement) our capital partner will be the one signing your proposal. Please address your proposal as follows and resend. We'll get signed today.

Nick Chini

Managing Director / Bainbridge Capital

4435 Eastgate Mall, Suite 130

San Diego, CA 92121

Thank you and let me know if you should have any questions.

Thanks

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91942

858.735.1858 cell

Skype - [matthew.reid.ca](https://www.skype.com/people/matthew.reid.ca)

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jul 6, 2015, at 3:15 PM, Morgan, Jayna <Jayna.Morgan@aecom.com> wrote:

Hi Matt and David,

Hope you had a happy and safe holiday. Please see attached and below for the latest correspondence between me and the City regarding the Site C proposed revisions and our Scope and Fee to address the revisions in the approved CEQA document.

Let me know if you have any questions.

Best Regards-

Jayna Morgan

Environmental Planner/Senior Project Manager

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www.aecom.com

From: Maria Parra [<mailto:mariap@ci.garden-grove.ca.us>]

Sent: Wednesday, July 01, 2015 9:50 AM

To: Morgan, Jayna

Cc: Karl Hill

Subject: Re: Site "C"

Hi Jayna,

I am okay with the changes. I will forward a copy to Susan, and to the City Attorney to formulate the agreement. Thank you!

Best regards,

Maria Parra

Urban Planner

City of Garden Grove | Planning Services Division

11222 Acacia Parkway, Garden Grove, CA 92840

(714) 741-5312 | (714) 741-5578 fax

mariap@ci.garden-grove.ca.us | www.ci.garden-grove.ca.us

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"Providing Quality Services Through Creativity and Collaboration"

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Direct Website Links:

Planning Division
Municipal Code, Title 9, Land Use
Zoning Map

From: "Jayna Morgan" <Jayna.Morgan@aecom.com>
To: "Maria Parra" <mariap@ci.garden-grove.ca.us>
Cc: "Karl Hill" <karlh@ci.garden-grove.ca.us>
Sent: Tuesday, June 30, 2015 3:43:01 PM
Subject: RE: Site "C"

Hi Guys,

Attached please find the revised proposal with your edits incorporated.
Let me know if you have any questions or need any additional changes.

If I don't speak with you before have a wonderful fourth of July holiday with family and friends.

Best Regards-
Jayna Morgan
Environmental Planner/Senior Project Manager

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<Addendum Proposal - Hotel Site C.pdf><Mail Attachment.eml>

Subject: RE: Site "C"

From: "Morgan, Jayna" <Jayna.Morgan@aecom.com>

Date: Wed, 15 Jul 2015 22:20:37 +0000

To: David Rose <drose3@hotmail.com>

CC: Alana Cheng <alanac@ci.garden-grove.ca.us>, Dave Rose <drose3@charter.net>, Matthew Reid <matt.reid@landanddesign.com>, "Kimble, Vivianne" <Vivianne.Kimble@aecom.com>, Karl Hill <karlh@ci.garden-grove.ca.us>, Maria Parra <mariap@ci.garden-grove.ca.us>

No problem Dave. I will wait to receive the changes from you.

Have a good afternoon!

Jayna Morgan

Environmental Planner/Senior Project Manager

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www.aecom.com

From: David Rose [mailto:drose3@hotmail.com]

Sent: Wednesday, July 15, 2015 12:34 PM

To: Morgan, Jayna

Cc: Alana Cheng; Dave Rose; Matthew Reid; Kimble, Vivianne; Karl Hill; Maria Parra

Subject: Re: Site "C"

Sometimes I hate spellcheck!

There should NOT be any MATERIAL changes to your write-up, just some technical ones.

Sorry. 😊

Dave

Sent from my iPad

Please forgive any errors.

On Jul 14, 2015, at 5:41 PM, Morgan, Jayna <Jayna.Morgan@aecom.com> wrote:

Thanks Alana.

Have a great evening!

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Nick Chini

Managing Director / Bainbridge Capital

4435 Eastgate Mall, Suite 130

San Diego, CA 92121

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Thanks

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91942

858.735.1858 cell

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Urban Planner
City of Garden Grove | Planning Services Division
11222 Acacia Parkway, Garden Grove, CA 92840
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<Addendum Proposal - Hotel Site C.pdf><Mail Attachment.eml>

Subject: 2013 Hotel Guide.pdf
From: Greg Blodgett <greg1@ci.garden-grove.ca.us>
Date: Mon, 27 Jul 2015 13:16:23 -0700 (PDT)
To: Matthew Reid <matt.reid@landanddesign.com>

Sent from my iPhone

2013 Hotel Guide.pdf	Content-Type: application/pdf Content-Encoding: base64
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Part 1.3

Part 1.3	Content-Type: text/plain Content-Encoding: 7bit
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GROVE DISTRICT HOTEL GUIDE



Hotel Name	No. of Employees	Facilities/Meeting Space	Restaurant Info.	Room Size (Avg. ft ²)	Floors	No. of Suites/Rooms
Candlewood Suites 12901 Garden Grove Blvd. Garden Grove, CA 92843 (714) 539-4200	8	NONE	NONE	98 @ 320 and 24 @ 480	3	133
Wyndham 12021 Harbor Blvd. Garden Grove, CA 92840 (714) 867-5555	182	Our resort offers 384 newly renovated deluxe guest rooms. We offer parlor room suites on each floor as well as 10 kid's bunk bed rooms. Our top floors, the executive level/quiet zone, are reserved for our business travelers. The hotel has a large outdoor heated swimming pool and whirlpool, 24 hour business and fitness center and shuttle to and from the Disney Resort area daily. The resort offers 28,000 square feet of flexible meeting space that includes two large ballrooms able to accommodate up to 1,000 people for an event. The hotel is a completely non-smoking property. Ballroom Foyer 1155 sq ft Landmark Ballroom 9840 sq ft Teak / Ebony 648 sq ft Limba 324 sq ft Poolside Terrace 2788 sq ft Garden Atrium 15,006 sq ft • Aurora 1036 sq ft. 37'x28'	California Grill & Cantina is open 6am to 11:00pm. We offer a full American breakfast buffet everyday from 6am to 11am. Happy hour specials on appetizers and drinks from 3pm to 7pm Monday through Friday in our Cantina. The Coffee Bar featuring Diedrich's Coffee is open 5:30am to 11:00am.	400 sq. ft.	8 Floors of Rooms	9/376
Embassy Suites Hotel 11767 Harbor Blvd. Garden Grove, CA 92840 (714) 539-3300	150		Serengeti Grill 2000 sq ft	450-500 sq ft	13	375
Hampton Inn & Suites 11747 Harbor Blvd. Garden Grove, CA 92840 (714) 703-8800	50		None available...	386 ft ² 700 ft ²	7	36/172
Hilton Garden Inn 11777 Harbor Blvd. Garden Grove, CA 92840 (714) 703-9100	50	Garden Room A&B - 1,287 sq ft.	The Great American Grill - open for breakfast only- M-F 6AM-10AM S/S - 7AM-11AM	450	6	169
Homewood Suites 12005 Harbor Blvd. Garden Grove, CA 92840 (714) 740-1800	63	California Room - 800 sq. feet Library Meeting Room - 650 sq. feet	Complimentary breakfast and dinner served. No restaurant on property.	600 sq ft.	7	166
Hyatt Regency Orange County 11999 Harbor Blvd. Garden Grove, CA 92840 (714) 750-1234	400	<ul style="list-style-type: none"> 60,000 ft² Meeting Space including... <ul style="list-style-type: none"> 10,515 ft² Prefunction Space 5596 ft² Grand Ballroom 1280 ft² Gardens 3639 ft² Royal Ballroom 	<ul style="list-style-type: none"> TusCA OC Brewhouse Starbucks 	325 ft ²	Tower 1: 17 Tower 2: 10	241/412
Marriott Suites Anaheim 12015 Harbor Blvd. Garden Grove, CA 92840 (714) 750-1000	162	10,000 sq ft of meeting space, Ballroom can accommodate over 300 people. All suite property, 24 hour business center, Disney Desk in the lobby, Restaurant serves breakfast, lunch and dinner. 1500 Sq. Ft.	Sunspot Restaurant	530 sqft	13	371
Residence Inn 11931 Harbor Blvd. Garden Grove, CA 92840 (714) 591-4000	65		N/A	450	8	200

Sheraton Garden Grove 12221 Harbor Boulevard Garden Grove, California 92840 (714) 703-8400	85-95	Crystal Sands Ballroom-Approx 5,000 sq ft-divisible into 3 sections. Cabernet Jr Ballroom-Approx 1821 sq ft-Divisible into 3 sections Executive Boardroom-Approx 417 sq ft Accommodating groups from 10-500.	Park Grill Hours 6:30am-10:30pm Seats 60 in main area, 36 in Private Dining area California Cuisine	400 sq ft Approx	7	285
NOT INCLUDED IN GGTID						
Candlewood Suites 12901 Garden Grove Blvd. Garden Grove, CA 92843 (714) 539-4200	8	NONE	NONE	98 @ 320 and 24 @ 480	3	133
Holiday Inn Express 12867 Garden Grove Blvd. Garden Grove, CA 92843 (714) 539-3535 Fax (714) 539-5656	28	<ul style="list-style-type: none"> 1 Meeting Rooms 1053 ft²/ 97.83 m² of Meeting Space 1 Sales & Meeting Professionals On Site Largest Room Capacity: 80 Theatre Style Largest Room Measurements: 39.0 ft/11.89 m x 27.0 ft/8.23 m (ceiling height = 8.0 ft/2.44 m) Smallest Room Capacity: 20 Boardroom Style Smallest Room Measurements: 39.0 ft/11.89 m x 27.0 ft/8.23 m (ceiling height = 8.0 ft/2.44 m) 	None available...	200-220 ft ²	3	29/71
Days Inn 12792 Palm Street Garden Grove, CA, 92840 714-534-3000	10	<ul style="list-style-type: none"> No Meeting Space Lobby offers continental breakfast Fitness Center Pool 	No Restaurants	365 sf	3	5 Suites/ 3 Jacuzzi Suites/ 32 Standard

Last Updated May 29, 2013

Subject: Re: 2013 Hotel Guide.pdf
From: Matthew Reid <matt.reid@landanddesign.com>
Date: Mon, 27 Jul 2015 13:50:41 -0700
To: Greg Blodgett <greg1@ci.garden-grove.ca.us>

How about Anaheim?

Sent from my iPhone

Matthew Reid

Land & Design, Inc.

3755 Avocado Blvd | #516 | LaMesa, CA 91941

619.567.2447 x101 office

858.735.1858 cell

619.489.3669 efax

Skype - matthew.reid.ca

matt.reid@landanddesign.com

Check out our new website www.landanddesign.com

On Jul 27, 2015, at 1:16 PM, Greg Blodgett <greg1@ci.garden-grove.ca.us> wrote:

<2013 Hotel Guide.pdf>

Sent from my iPhone