

RESOLUTION NO. 2015-140

A RESOLUTION OF THE CITY OF ROHNERT PARK AS SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF ROHNERT PARK AUTHORIZING AND APPROVING AN AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS BETWEEN THE SUCCESSOR AGENCY AND MCDONALDS CORPORATION AND FINDING THE ACTION EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, Assembly Bill 1X 26, as subsequently amended by AB 1484 (collectively, the “Dissolution Act”) dissolved redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*); and

WHEREAS, Section 31419.5(b) of the Dissolution Act required the Successor Agency City of Rohnert Park (“Successor Agency”) to prepare and submit for review and approval by the Oversight Board for the Successor Agency (“Oversight Board”) and the California Department of Finance (“DOF”) a long-range property management plan (“Property Plan”) addressing the disposition and use of real property formerly owned by the Community Development Commission of the City of Rohnert Park; and

WHEREAS, Successor Agency staff prepared a Property Plan that was approved by the Oversight Board by Resolution No. OSB 2013-04 adopted on September 16, 2013 and thereafter submitted to DOF for review and approval; and

WHEREAS, based on DOF’s preliminary comments and requests for clarification of certain items included in the Property Plan, Successor Agency staff prepared an amended Property Plan that was approved by the Oversight Board by Resolution No. OSB 2014-03 adopted on April 9, 2014 and thereafter submitted to DOF for review and approval; and

WHEREAS, DOF approved the Successor Agency’s Property Plan by letter dated June 19, 2014; and

WHEREAS, the approved Property Plan provides for the disposition of an approximately 6,875 square foot parcel located in the City of Rohnert Park, identified as “Parcel 5” in the Property Plan and designated as APN 045-081-007 (“Property”) to the developer of the adjacent property immediately to the west (“Adjacent Property”) pursuant to Health and Safety Code Section 34191.5(c)(2)(B), since the Property’s only economic value would come through incorporation into the development of the Adjacent Property; and

WHEREAS, Successor Agency staff have negotiated terms for the disposition of the Property to the owner of the Adjacent Property, McDonalds’s Corporation, a Delaware corporation (“Buyer”), and such terms are incorporated into the proposed Agreement of Purchase and Sale and Joint Escrow Instructions attached as Exhibit A to this Resolution and incorporated herein by this reference (“Purchase Agreement”); and

WHEREAS, the proposed Agreement of Purchase Sale and Joint Escrow Instructions was reviewed and approved by the Oversight Board by Resolution 2014-07 on September 10, 2014 and DOF has provided concurrence; and

WHEREAS, the City has adopted the Wilfred Dowdell Specific Plan EIR (“EIR”), which addressed eventual development of the Property, and on May 22, 2012, the City of Rohnert Park approved a Mitigated Negative Declaration (“MND”) for Buyer’s development of the Adjacent Property, which anticipated Buyer’s acquisition and development of the Property; further, the transfer of ownership of the property from the City to the Buyer is exempt from CEQA under Section 15061(b)(3) because there is no possibility that the conveyance will have an effect on the environment; and

WHEREAS, the transfer of ownership was considered by the Successor Agency to the Community Development Commission of the City of Rohnert Park at a duly noticed public meeting;

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency, as follows:

1. The Successor Agency hereby finds and determines that the foregoing recitals are true and correct and are incorporated herein.
2. The Successor Agency hereby further finds approval of the Purchase Agreement to be consistent with the project evaluated in the EIR and MND and that 1) there are no substantial changes to the project which would result in the need for major revisions to that MND, 2) there are no substantial changes with regard to the circumstances surrounding the proposed action which would require major revisions to that MND, and 3) no substantial new information exists which was not previously known which would show that the project has new significant environmental impacts, the project’s identified impacts are substantially more severe than previously disclosed, new alternatives or mitigation measures previously found to be infeasible are in fact feasible and/or would reduce significant environmental impacts more than previously disclosed. Further, there is no possibility under Section 15061(b)(3) that the conveyance will have an effect on the environment.
3. The Purchase Agreement substantially in the form attached hereto as Exhibit A and incorporated herein by this reference is hereby approved.
4. The City Manager of the City of Rohnert Park (“City Manager”) is hereby delegated authority and is authorized and directed to execute the Purchase Agreement on behalf of the Successor Agency, substantially in the form attached hereto as Exhibit A, subject to minor, technical changes approved by the Successor Agency’s General Counsel.
5. Successor Agency staff are authorized and directed to transfer the net proceeds of the sale of the Property to the County of Sonoma for distribution to the taxing entities pursuant to Section 34191.5(c)(2)(B) of the Dissolution Act, as provided in the Property Plan.

6. The City Manager or his designee is authorized and directed to execute such additional instruments and to take such actions as are necessary to carry out the intent of this Resolution.

DULY AND REGULARLY ADOPTED this 8th day of September, 2015.

CITY OF ROHNERT PARK



Amy O. Ahanotu, Mayor

ATTEST:



Anne M. Buergler, City Clerk

CALLINAN: Aye MACKENZIE: Aye STAFFORD: Aye BELFORTE: Aye AHANOTU: Aye
AYES: (5) NOES: (0) ABSENT: (0) ABSTAIN: (0)

EXHIBIT A TO RESOLUTION

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS**

This Agreement of Purchase and Sale and Joint Escrow Instructions (“**Agreement**”), dated as of _____ 2015, (“**Effective Date**”), is between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF ROHNERT PARK, a public body established pursuant to the laws of the State of California (“**Seller**” or “**Successor Agency**”), and McDonald’s Corporation, a Delaware corporation (“**Buyer**”).

R E C I T A L S

A. The Community Development Commission of the City of Rohnert Park (“**CDC**”) acquired the Property described in Section 1.2 for redevelopment purposes.

B. Subsequent to the CDC’s acquisition of the Property, the California Legislature enacted Assembly Bill AB 1X 26, as subsequently amended by AB 1484 (collectively, the “**Dissolution Act**”) which dissolved redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*).

C. In accordance with Sections 34173 and 34175(b) of the Dissolution Act, the City of Rohnert Park elected to serve as the successor agency to the CDC and, effective February 1, 2012, all non-housing assets, properties and contracts of the CDC were transferred to the Successor Agency.

D. Pursuant to Section 34177(h) of the Dissolution Act, Successor Agency is required to wind down the affairs of the CDC.

E. Section 34191.5(b) of the Dissolution Act requires the Successor Agency, within six months following issuance of a finding of completion pursuant to Section 34179.5 of the Dissolution Act, to prepare and submit for Department of Finance (“**DOF**”) approval a long-range property management plan (“**Property Plan**”) that addresses the disposition and use of real properties of the CDC.

F. Following the successful completion of certain statutory prerequisites, the Successor Agency received a finding of completion from DOF by letter dated April 26, 2013.

G. Successor Agency staff prepared a Property Plan that was approved by the City Council acting as the Successor Agency by Resolution No. 2013-125 adopted on August 27, 2013 and by the Oversight Board by Resolution No. OSB 2013-04 adopted on September 16, 2013, and the Property Plan was thereafter submitted to DOF for review and approval.

H. Based on DOF’s preliminary comments and requests for clarification of certain items included in the Plan, Successor Agency staff prepared an amended Property Plan that was approved by the City Council acting as the Successor Agency by Resolution No. 2014-137 adopted on April 8, 2014 and by the Oversight Board by Resolution No. OSB 2014-03 adopted

on April 9, 2014, and the amended Property Plan was thereafter submitted to DOF for review and approval.

I. DOF approved the Property Plan by letter dated June 19, 2014.

J. Successor Agency included in the approved Property Plan the disposition of the Property (defined below) to the owner of the adjacent property immediately to the west (“**Adjacent Property**”) pursuant to Health and Safety Code Section 34191.5(c)(2)(B), since the Property’s only economic value would come through incorporation into the development of the Adjacent Property.

K. Buyer has submitted a proposal to City to develop the Property, and Buyer desires to acquire the Property, at fair market value, for use in connection with Buyer’s or its successors’ and/or assigns’ development.

L. At its September 10, 2014 meeting, the Oversight Board considered and approved by Resolution No. OSB 2014-07 the Successor Agency entering into this Agreement.

A G R E E M E N T

ARTICLE 1 PURCHASE AND SALE OF PROPERTY

Section 1.1 Incorporation of Recitals. Each of the recitals in Paragraphs A through L, inclusive, set forth above is incorporated herein by this reference.

Section 1.2 Sale. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, on the terms and conditions set forth herein, that certain property located in Rohnert Park, California described in Exhibit A attached hereto and made a part hereof and depicted on Exhibit A-1 attached hereto and made a part hereof (“**Property**”), together with any and all rights, privileges and easements appurtenant thereto owned by Seller.

Section 1.3 Purchase Price. The purchase price for the Property is Ten Thousand Dollars (\$10,000) (“**Purchase Price**”). The Purchase Price shall be paid to Seller at Closing in immediately available funds. The Purchase Price was determined based on a survey of comparable parcels and an evaluation of potential uses of the Property. Following Closing, as provided in the Property Plan, the net proceeds of the sale will be distributed as property tax to the taxing entities pursuant to Health and Safety Code Section 34191.5(c)(2)(B).

Section 1.4 Good Faith Deposit. Within ten (10) business days of the Effective Date, Buyer shall deliver into escrow a good faith deposit in the amount of One Thousand Dollars (\$1,000.00). The Good Faith Deposit shall serve as security for the performance of Buyer’s obligations under this Agreement and shall be applied towards the Purchase Price at Closing, retained by the Successor Agency as liquidated damages or returned to Buyer, as provided below. Interest earned on the Good Faith Deposit, if any, shall be deemed to be a part of the Good Faith Deposit for all purposes hereunder.

The Good Faith Deposit shall be returned to Buyer upon occurrence of any of the following: (i) prior to expiration of Buyer's Due Diligence Period and Buyer's acceptance of the Property, as set forth in Section 3.3, Buyer elects not to proceed with purchase of the Property; (ii) prior to Closing, as defined in Section 6.2, all Buyer's Conditions Precedent to Conveyance, as set forth in Section 2.1 have not been satisfied or waived by Buyer; or (iii) if Seller is in default under this Agreement following notice and expiration of applicable cure periods.

IN THE EVENT BUYER DEFAULTS IN BUYER'S OBLIGATION TO PURCHASE THE PROPERTY WITHIN THE TIME AND IN THE MANNER SPECIFIED IN THIS AGREEMENT, AND SELLER IS READY, WILLING AND ABLE TO CLOSE THIS TRANSACTION, SELLER SHALL BE RELEASED FROM ALL OBLIGATIONS AT LAW OR IN EQUITY TO CONVEY THE PROPERTY TO BUYER. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE AMOUNT OF DAMAGES SUFFERED BY SELLER BECAUSE OF SUCH DEFAULT; THAT THE GOOD FAITH DEPOSIT CONSTITUTES A REASONABLE ESTIMATE AND AGREED STIPULATION OF SUCH DAMAGES; THAT SELLER SHALL RETAIN SUCH SUM AS LIQUIDATED DAMAGES AS ITS SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF BUYER'S DEFAULT, WAIVING ANY RIGHT TO SPECIFIC PERFORMANCE OR ANY OTHER REMEDY AT LAW OR IN EQUITY.

Seller's Initials

Buyer's Initials

If this Agreement shall not have been theretofore cancelled or terminated, or the Good Faith Deposit shall not have been returned to Buyer or retained by Seller as liquidated damages, the Good Faith Deposit shall be credited against the Purchase Price at Closing.

ARTICLE 2 CONDITIONS

Section 2.1 Buyer's Conditions Precedent to Conveyance.

Buyer's obligation to purchase the Property is conditioned upon the following:

2.1.1 All of the representations and warranties made by Seller to Buyer pursuant to this Agreement shall be true and correct in all material respects as of the Closing date, as if made on such date.

2.1.2 Pursuant to Section 3.3, Buyer shall have completed its due diligence within the Due Diligence Period and provided written notice to Successor Agency that all aspects of the Property are acceptable to Buyer.

2.1.3 Seller shall have provided Buyer with assurance acceptable to Buyer in its sole and absolute discretion that DOF has either consented, or waived its right to object, to the sale of the Property to Buyer on the terms set forth herein, which assurance shall be in a form

sufficient to allow the Title Company to issue the Title Policy as described in Section 4.2 (“**DOF Approval**”).

2.1.4 Seller shall have delivered each of the documents described in 6.3.1, prior to the Closing date.

2.1.5 Title Company shall have issued an irrevocable and unconditional commitment to issue the Title Policy (as defined in Section 4.2) upon recordation of the Grant Deed (as defined in Section 4.1).

2.1.6 Seller shall not be in material default of any of its obligations under this Agreement following notice and expiration of any applicable cure period.

The conditions precedent to conveyance set forth in this Section 2.1 (“**Buyer’s Conditions Precedent to Conveyance**”) are solely for the benefit of Buyer and may be waived only by Buyer. No such waiver shall be binding upon Buyer unless made in writing by an authorized representative of Buyer.

Section 2.2 Seller’s Conditions Precedent to Conveyance.

Seller’s obligation to sell the Property is conditioned upon the following:

2.2.1 All of the representations and warranties made by Buyer to Seller pursuant to this Agreement shall be true and correct in all material respects as of the Closing date, as if made on such date.

2.2.2 Buyer shall have delivered each of the items described in 6.3.2 prior to the Closing date, and shall have performed all of its obligations under this Agreement in accordance with the provisions hereof.

2.2.3 Buyer shall not be in material default of any of its obligations under this Agreement following notice and expiration of any applicable cure period.

2.2.4 Seller shall have received DOF Approval.

The conditions precedent to conveyance set forth in this Section 2.2 (“**Seller’s Conditions Precedent to Conveyance**”) are solely for the benefit of Seller and may be waived only by Seller. No such waiver shall be binding upon Seller unless made in writing by an authorized representative of Seller.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES, BUYER'S DUE DILIGENCE, AND
DISCLAIMERS AND RELEASES

Section 3.1 Representations and Warranties of Seller.

Seller hereby makes the following representations and warranties.

3.1.1 Seller, as of the Effective Date, owns fee simple title to the Property.

3.1.2 There is no litigation, action, suit, arbitration, claims proceeding or governmental investigation in law or equity pending or, to Seller's actual knowledge, threatened, with respect to the Property or against Seller which would prevent Seller from performing its obligations hereunder, or which would have a material adverse effect on the Property or Buyer.

3.1.3 To the best of Seller's knowledge, Seller's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Seller is a party or by which it is bound.

3.1.4 To the best of Seller's knowledge, the governmental reports, notices, soils tests, environmental reports, plans, surveys, engineering reports, and other documents, information and data relative to the Property delivered or made available by Seller to Buyer pursuant to Section 3.3 below, represent all Seller Materials that are in Seller's possession or under Seller's control.

3.1.5 Each of the representations and warranties of Seller contained in this Section 3.1 is true as of the Effective Date, and shall be deemed remade by Seller and shall be true as of the Closing date.

3.1.6 All references herein to "Seller's knowledge" means the current, actual knowledge of Darrin Jenkins ("**Seller's Representative**"), without any obligation of inquiry, and such term shall not include the knowledge of any other person or firm, it being understood by Buyer that (a) Seller's Representative was not involved in the operation of the Property before Seller's acquisition of the Property, (b) Seller's Representative is not charged with knowledge of any of the acts or omissions of predecessors in title to the Property or the management of the Property before Seller's acquisition of the Property, and (c) Seller's current actual knowledge shall not apply to, or be construed to include, information or material which may be in the possession of Seller generally or incidentally, but of which Seller's Representative is not actually aware.

Section 3.2 Representations and Warranties of Buyer.

Buyer represents and warrants to Seller as follows:

3.2.1 Buyer is a Delaware corporation. Buyer has full right, power and lawful authority to undertake all obligations of Buyer as provided herein and the execution, performance and delivery of this Agreement by Buyer has been fully authorized by all requisite company actions on the part of Buyer.

3.2.2 To the best of Buyer's knowledge, Buyer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Buyer is a party or by which it is bound.

3.2.3 Buyer is not the subject of any bankruptcy proceeding.

3.2.4 All references herein to "Buyer's knowledge" means the current, actual knowledge of David Shammass ("**Buyer's Representative**"), without any obligation of inquiry and shall not apply to, or be construed to include, information or material which may be in the possession of Buyer generally or incidentally, but of which Buyer's Representative is not actually aware.

3.2.5 Each of the representations and warranties of Buyer contained in this Section 3.2 is true as of the Effective Date, and shall be deemed remade by Buyer and shall be true as of the date of Closing.

The representations and warranties of Seller and Buyer contained herein shall survive for a period of two (2) years after the Closing (the "**Survival Period**"). Any claim which Buyer or Seller may have at any time against the other for a breach of any such representation or warranty, whether known or unknown, which is not asserted by written notice to the other within two months following the expiration of the Survival Period, and as to which a legal action has not been filed within five months following the Survival Period, shall be deemed waived, unless otherwise agreed in writing by the parties.

Section 3.3 Buyer's Due Diligence.

Within ninety (90) days following the Effective Date ("**Due Diligence Period**"), Buyer shall have reviewed, inspected and investigated, at its expense, the Property, either independently or through agents of Buyer's choosing, including the following:

3.3.1 All matters relating to title, including taxes, assessments, and liens. If the report on title, binder or commitment discloses any defects in title (other than liens or encumbrances of a definite or ascertainable amount which may be paid at Closing by Seller), Seller will have thirty (30) days from the date of Buyer's written notice of such defects to make a good faith effort to cure such defects and to furnish a later report showing the defects cured or removed. If such defects are not cured or removed within thirty (30) days, Buyer may terminate this Agreement or may, at Buyer's election, take the title as it then is with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount by giving written notice of such election to Seller and tendering performance on Buyer's part.

3.3.2 All legal and governmental laws, statutes, rules, regulations, ordinances, and restrictions or requirements concerning the use and development of the Property, including but not limited to approval of this Agreement by the Oversight Board and approval of the Property Plan, including disposition of the Property to Buyer, by DOF.

3.3.3 The physical, legal, economic and environmental condition and aspects of the Property, and all other matters concerning the conditions, use, sale or development of the Property, including any permits, licenses, engineers' reports and studies and similar information

relating to the Property. Such examination of the condition of the Property may include examinations for the presence or absence of Hazardous Materials, as defined below, as Buyer deems necessary or desirable. The term “**Hazardous Materials**” means any and all substances, contaminants, chemicals, wastes, sewage, materials or emissions which are now or hereafter regulated, controlled, prohibited or otherwise affected by any present or future local, state or federal statute, ordinance, code, rule, regulation, order, decree, permit or other law now or hereafter in effect, including but not limited to (i) asbestos (including asbestos-containing materials); (ii) flammable, explosive, infectious, carcinogenic, mutagenic, or radioactive materials; (iii) petroleum or any substance containing or consisting of petroleum hydrocarbons (including gasoline, diesel fuel, motor oil, waste oil, grease or any other fraction of crude oil); (iv) paints and solvents; (v) lead; (vi) cyanide; (vii) DDT; (viii) printing inks; (ix) acids; (x) pesticides; (xi) ammonium compounds; (xii) polychlorinated biphenyls; (xiii) radon and radon gas; and (xiv) electromagnetic or magnetic materials, substances or emissions.

3.3.4 Any easements and/or access rights affecting the Property.

3.3.5 Any contracts and other documents or agreements affecting the Property.

3.3.6 All other matters of material significance affecting the Property.

Within ten (10) business days of the Effective Date, Seller shall deliver or make available to Buyer copies of all governmental reports, notices, soils tests, environmental reports, plans, surveys, engineering reports, and any other material documents, information and data relative to the Property that are in Seller’s possession or under Seller’s control (“**Seller Materials**”).

Prior to expiration of the Due Diligence Period Buyer shall provide written notice to Seller that it has approved or disapproved the physical, legal, economic and environmental condition and aspects of the Property, and all other matters concerning the legal status, condition, use, sale or development of the Property as set forth above in its sole and absolute discretion. If Buyer fails to notify Seller on or before the last day of the Due Diligence Period, that Buyer has approved the Property as provided above, Buyer shall be deemed to have elected to terminate this Agreement.

BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN “AS IS WITH ALL FAULTS” BASIS, CONDITION AND STATE OF REPAIR INCLUSIVE OF ALL FAULTS AND DEFECTS, WHETHER KNOWN OR UNKNOWN, AS MAY EXIST AS OF THE CLOSING, INCLUDING THE ENVIRONMENTAL CONDITIONS DESCRIBED ABOVE (“AS IS CONDITION”) AND THAT, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 3.1.5 ABOVE, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES FROM SELLER, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING THE PROPERTY.

Section 3.4 Disclaimers and Releases.

Buyer acknowledges and agrees that: (i) the condition of the Property will be independently evaluated by Buyer during the Buyer’s Due Diligence Period; and (ii) any

information including Seller Materials were and are furnished without warranty of any kind except as expressly provided in Section 3.1 and on the express condition that Buyer will make its own independent verification of the accuracy, reliability and thoroughness of such information and that to the extent Buyer opts to rely on such Seller Materials, Buyer will do so at its sole risk.

Buyer hereby releases Seller from any and all manner of rights, liabilities, claims, actions, causes of action, suits, proceedings, demands, damages, costs, expenses (including attorney's fees and costs) or other compensation whatsoever, in law or equity, of whatever kind or nature, whether known or unknown, direct or indirect, foreseeable or unforeseeable, absolute or contingent that Buyer now has or may have or which may arise in the future arising out of, directly or indirectly, or in any way connected with (i) all warranties of whatever type or kind with respect to the physical or environmental condition of the Property, whether express, implied or otherwise, including those of fitness for a particular purpose or use; (ii) the physical, environmental or other condition of the Property; (iii) the application of, compliance with or failure to comply with any Applicable Laws; (iv) Hazardous Materials; and (v) the As Is Condition (the foregoing are collectively referred to as "**Claims**").

Buyer acknowledges and agrees that it understands that factual matters now unknown to it may have given or may hereafter give rise to Claims that are presently unknown, unanticipated and unsuspected, and Buyer further acknowledges and agrees that the releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless intends to release, discharge and acquit Seller from any such unknown Claims. Notwithstanding any other provision hereof to the contrary, the foregoing waiver and release (and the term "**Claims**") shall exclude those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to: (a) a material matter actually known to Seller that is (1) not disclosed to Buyer, and (2) not discovered by Buyer prior to the Closing; (b) any breach by Seller of its representations or warranties under this Agreement; and/or (c) any breach by Seller of its obligations under this Agreement.

The provisions of this Section 3.4 are a material portion of the consideration given by each party to the other in exchange for such party's performance under this Agreement and shall survive the Closing.

ARTICLE 4

TITLE

Section 4.1 Condition of Title.

At the Closing, Seller shall convey title to the Property to Buyer by grant deed in a form substantially similar to that attached hereto as Exhibit B ("**Grant Deed**"), free of any possession or right of possession by any person except that of Buyer and subject only to those exceptions disclosed in the Title Policy and approved by Buyer.

Section 4.2 Evidence of Title.

Delivery of title in accordance with the foregoing shall be evidenced by the irrevocable commitment of First American Title Insurance Company, at 8182 Maryland Avenue, Suite 400, Clayton, MO, 63105 ("**Title Company**") to issue, at Closing, its Owner's ALTA

Policy of Title Insurance in an amount reasonably acceptable to Buyer showing fee title to the Property vested in Buyer, free and clear of all recorded liens, encumbrances, leases and taxes except as are consistent with this Agreement, and with such endorsements as may be requested by Buyer (“Title Policy”). Buyer shall be responsible for paying all costs of obtaining all title policies and endorsements described herein.

ARTICLE 5 BROKERS AND EXPENSES

Section 5.1 Brokers.

The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction. If any person brings a claim for a commission or finder’s fee based upon any contact, dealings or communication with Buyer or Seller, then the party through whom such person makes his or her claim shall defend the other party (“Indemnified Party”) from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from any and all costs, damages, claims, liabilities or expenses (including without limitation, reasonable attorneys’ fees and disbursements) incurred by the Indemnified Party in defending against the claim. The provisions of this Section 5.1 shall survive the Closing or other termination of this Agreement.

ARTICLE 6 CLOSING AND ESCROW

Section 6.1 Escrow Instructions.

Within ten (10) days following execution of this Agreement, the parties shall open escrow and deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

Section 6.2 Closing.

6.2.1 “**Closing**” means the consummation of the purchase and sale of the Property as described herein as evidenced by the performance by each party of its obligations hereunder, including the Title Company’s recordation and delivery of the Grant Deed, delivery of the documents as set forth in this Agreement, Title Company’s irrevocable and unconditional commitment to issue the Title Policy upon recordation of the Grant Deed, and the payment of the Purchase Price by Buyer.

6.2.2 The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Title Company on the date which is within thirty (30) days of completion of all conditions precedent to conveyance as set forth in Article II, but in no event later than December 15, 2015 (“**Outside**

Closing Date”). Except as expressly provided above, the Outside Closing Date may not be extended without the prior written approval of both the Seller’s and Buyer’s signatories to this Agreement.

Section 6.3 Deposit of Documents.

6.3.1 At or before the Closing, Seller shall deposit into escrow the following items:

- (a) Documentary transfer taxes and Seller’s customary share of the normal prorations;
- (b) Documentation of a credit towards the Purchase Price in the amount of the Good Faith Deposit;
- (c) the duly executed and acknowledged Grant Deed conveying the Property to Buyer;
- (d) an affidavit pursuant to Section 1445(b)(2) of the Internal Revenue Code, and on which Buyer is entitled to rely, that Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code; and
- (e) California 597-W Certificate.

6.3.2 At or before Closing, Buyer shall deposit into escrow the funds necessary to close this transaction, including the Purchase Price, adjusted by a credit towards the Purchase Price in the amount of the Good Faith Deposit, any normal prorations, the Title Policy premium, all escrow fees and recording charges, all other closing costs, and the estimated amount of Seller’s administrative costs, including staff time, and legal expenses associated with the transfer of the Property, to the extent such costs have not previously been reimbursed to Seller by Buyer as of the Closing (collectively, “**Seller’s Administrative Costs**”). In the event that the actual amount of Seller’s Administrative Costs exceeds the estimated amount deposited prior to Closing, Buyer shall reimburse Seller the difference within thirty (30) days of receiving notice and documentation of the actual costs. In the event that the actual amount of Seller’s Administrative Costs is less than the estimated amount deposited prior to Closing, Seller shall refund the difference to Buyer within thirty (30) days of Closing.

Seller and Buyer shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase and sale transaction in accordance with the terms hereof. Seller and Buyer hereby designate Title Company as the “Reporting Person” for the transaction pursuant to Section 6045(e) of the Internal Revenue Code and the regulations promulgated thereunder and agree to execute such documentation as is reasonably necessary to effectuate such designation.

6.3.3 Buyer shall be solely responsible for paying the following costs associated with the transfer of the Property: (i) the premium for the Title Policy, including any endorsements; (ii) all escrow fees and recording charges, (iii) Buyer’s customary share of other normal prorations; (iv) all other closing costs; (v) all of Buyer’s due diligence expenses; and (vi)

Seller's administrative costs, including staff time, and legal expenses associated with the transfer of the Property. Seller shall be solely responsible for paying the following costs associated with the transfer of the Property: (i) documentary transfer taxes and (ii) Seller's customary share of normal prorations.

6.3.4 Ad valorem taxes and assessments, if any, on the Property, levied, assessed or imposed for any period commencing prior to conveyance of title shall be borne by Seller. All ad valorem taxes and assessments levied or imposed for any period commencing after Closing shall be paid by Buyer.

6.3.5 The provisions of this Section 6.3 shall survive the Closing.

Section 6.4 Indemnity. Buyer shall indemnify, defend (with counsel reasonably acceptable to Seller), protect and hold Seller and City, and its and their officers, employees, agents and representatives, harmless from, all claims, demands, damages, defense costs or liability of any kind or nature relating to Buyer's performance and activities in connection with the implementation hereof, including any damages to property or injuries to persons, including accidental death (including reasonable attorneys fees and costs), whether such activities or performance thereof be by Buyer or by anyone directly or indirectly employed or contracted with by Buyer and whether such damage shall accrue or be discovered before or after termination of this Agreement. Buyer's indemnity obligations under this Section 6.4 shall not extend to claims, demands, damages, defense costs or liability for property damage, bodily injury or death occasioned by the sole negligence or willful misconduct of Seller or the City, or its or their officers, employees, agents or representatives, and in no event shall Buyer have any liability or responsibility for any discovery or disturbance of any pre-existing Hazardous Materials affecting the Property, which discovery or disturbance resulted from or related to any non-negligent invasive testing done on or in the Property by or on behalf of Buyer with the consent of Seller.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Notices.

Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) by certified mail, postage prepaid, return receipt requested, or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Seller: Successor Agency to the Community Development
Commission of the City of Rohnert Park
130 Avram Avenue
Rohnert Park, California 94928
Attention: City Manager

With a copy to: Burke Williams & Sorensen, LLP
1901 Harrison Street, 9th Floor
Oakland, California 94612
Attention: Karen Murphy

To Buyer: McDonald's Corporation
One McDonald's Plaza
Oak Brook, IL 60523
LC: 004-3309
Attention: US Legal – Dept. #091

With a copy to: 299 Oak Road, Suite 900
Walnut Creek, CA 94597
Attention: Development Director, LC: 004-3309

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be effective only upon delivery or refusal to accept delivery by the intended recipient.

Section 7.2 Assignments; Successors and Assigns.

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the provisions of this Section 7.2, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No assignment shall release the assigning party from its obligations or liabilities hereunder accruing prior to the date of such assignment.

Section 7.3 Right of Entry.

Prior to the Effective Date, Seller has provided, and after the Effective Date shall continue to provide, Buyer with reasonable access to the Property and the records of Seller relating thereto. Without limiting the foregoing, prior to any entry to perform any invasive on-site testing, Buyer shall give Seller written notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Seller or its representative may be present to observe any testing (whether or not invasive) or other inspection performed on the Property. Buyer shall maintain, and shall assure that its contractors maintain public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its agents, employees or contractors, arising out of any entry or inspections of the Property pursuant to the provisions hereof, and Buyer shall provide Seller with evidence of such insurance coverage upon request by Seller. Buyer shall indemnify and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorney's fees), arising out of or relating to any entry on the Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testings or inquiries provided for in this Agreement. Buyer agrees to keep the Property free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Buyer or Buyer's agents, employees or contractors with respect to any inspection or investigation of the Property. If any such lien at any time shall be filed, Buyer shall cause the same to be discharged of record within ten (10) days thereafter by satisfying the same or, if Buyer, in its discretion and in good faith determines that such lien should be contested, by recording a bond or providing title insurance insuring over such lien. Failure by Buyer to discharge or bond over or provide title insurance over such lien shall be a

material breach of this Agreement and Seller may terminate this Agreement and pursue such other rights and remedies against Buyer as may be available at law or in equity. Buyer's indemnity obligations under this Section 7.3 shall survive the Closing or other termination of this Agreement.

Section 7.4 Default; Remedies.

The failure by any party to perform any obligation under this Agreement, if the failure has continued for a period of thirty (30) days after the other party demands in writing that the defaulting party cure the failure, shall be deemed a default hereunder. If, however, by its nature the failure cannot be cured within thirty (30) days, the defaulting party may have a longer period as is necessary to cure the failure, in any event not to exceed sixty (60) days, provided, however, such extended cure period shall be conditioned upon the defaulting party promptly commencing to cure within the thirty (30) day period and thereafter diligently completing the cure.

Upon the occurrence of an event of default by Buyer, Seller, subject to the terms of Section 1.4, shall be entitled to retain the Good Faith Deposit as liquidated damages. Upon the occurrence of an event of default by Seller, Buyer may either institute an action for specific performance or other equitable relief to compel sale of the Property to Buyer on the terms set forth herein or Buyer may opt to terminate this Agreement by written notice to Seller in which case the Good Faith Deposit shall be immediately returned to Buyer upon unilateral demand to the Title Company. Except as provided in Section 1.4, neither party shall be entitled to any monetary damages, and each party hereby waives any and all rights to recover consequential or special damages arising directly or indirectly from a breach of this Agreement by the other party.

Section 7.5 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of laws rules.

Section 7.6 Interpretation of Agreement.

Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "person" shall include any individual, partnership, joint venture, corporation, trust, unincorporated association, any other entity and any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity. The words "include" and "including" shall in all instances be interpreted as though followed by the words "without limitation."

Section 7.7 Amendments.

This Agreement may be amended or modified only by a written instrument signed by Buyer and Seller and duly authorized by the governing body of the Successor Agency, and such other entities as may be required by the Dissolution Act.

Section 7.8 No Partnership.

The relationship of the parties hereto is solely that of seller and buyer with respect to the Property and no joint venture, other partnership or agency relationship exists between the parties hereto. Neither party has any fiduciary relationship hereunder to the other.

Section 7.9 No Third Party Beneficiary.

The provisions of this Agreement are not intended to benefit any third parties.

Section 7.10 Joint and Several Liability.

If Buyer consists of more than one person or entity the liability of such persons and entities shall be joint and several.

Section 7.11 Limitation of Liability.

Buyer acknowledges and agrees that City is entering into this Agreement solely in its capacity as Successor Agency to the CDC, the Successor Agency is a separate legal entity from the City of Rohnert Park, the liabilities of Successor Agency are payable exclusively from property tax revenues that Successor Agency may receive from time to time pursuant to the Dissolution Act and the City of Rohnert Park, a municipal corporation, shall have no liability to Buyer in the event of any default or breach by Successor Agency, or for any amount which may become due to Buyer or its successors, or on any obligations under the terms of this Agreement. Buyer further acknowledges and agrees that no member, official or employee of Successor Agency or City shall be personally liable to Buyer, or any successor in interest, in the event of any default or breach by Successor Agency, or for any amount which may become due to Buyer or its successors, or on any obligations under the terms of this Agreement. Seller acknowledges and agrees that no member, officer, employee director, member, manager, agent or consultant of Buyer shall be personally liable to Seller, or any successor in interest, in the event of any default or breach by Buyer, or for any amount which may become due to Seller or its successors, or on any obligations under the terms of this Agreement.

Section 7.12 Recordation; Actions to Clear Title.

Prior to Closing Buyer shall not record this Agreement, any memorandum of this Agreement, any assignment of this Agreement or any other document which would cause a cloud on the title to the Property. If Buyer fails to complete its purchase of the Property for any reason, or if this Agreement shall terminate for any reason not solely due to Seller's default hereunder, then Buyer, at no cost to Seller, shall promptly execute, acknowledge and deliver to Seller, all within thirty (30) days after written request from Seller, a quitclaim deed, in recordable form, in favor of Seller, and any other documents requested by Seller to remove any cloud on title to the

Property that may exist as the result of the existence of this Agreement or any escrow relating to this Agreement. In the event Buyer fails to so execute and deliver any such document, Buyer shall pay all losses, damages, costs and expenses, including, but not limited to, Seller's reasonable attorneys' fees, incurred in connection with Buyer's breach of its obligations under this Section 7.12, including interest, carrying costs associated with the Property from the date of Buyer's failure to comply with this Section 7.12 and costs of clearing any such cloud on title.

Section 7.13 Severability.

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, to any extent shall be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and in no way shall be affected, impaired or invalidated thereby; except that if the court which determines the provision to be invalid also determines such provision to be of such materiality as to make enforcement of the remaining terms inequitable, then this Agreement shall terminate.

Section 7.14 Waiver of Covenants, Conditions or Remedies.

The waiver by one party of the performance of any covenant, condition or promise under this Agreement shall not invalidate this Agreement, nor shall it be considered a waiver by it of any other covenant, condition or promise under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law, and the provision in this Agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

Section 7.15 Termination.

This Agreement may be terminated: (i) by Buyer, if prior to expiration of Buyer's Due Diligence Period, Buyer elects not to proceed with purchase of the Property; (ii) by Buyer, if prior to Closing Buyer's Conditions Precedent to Conveyance have not been satisfied or waived; (iii) by Seller, if prior to Closing Seller's Conditions Precedent to Conveyance have not been satisfied or waived; (iv) if there is an uncured default, by written notice from the party not in default pursuant to Section 7.4; (v) if there is a failure of an express condition (which is not waived by the party whom the condition benefits) by written notice from the party whom the condition benefits; or (vi) by either party if escrow fails to close by the Outside Closing Date set forth in Section 6.2.2. The party wishing to terminate the Agreement must provide the other party with written notice of termination.

Section 7.16 Cooperation in the Event of Third-Party Legal Challenge.

Seller and Buyer shall cooperate in the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement. To the extent that Buyer determines to contest such litigation challenges, Buyer shall reimburse Seller and City, within ten (10) days following Seller's written demand therefor which may be

made from time to time during the course of such litigation, all costs incurred by Seller and City in connection with the litigation challenge, including Seller and City's administrative, legal and court costs, provided that Seller and City shall either: (a) elect to joint representation by Buyer's counsel; or (b) retain an experienced litigation attorney, require such attorney to prepare and comply with a litigation budget, and present such litigation budget to Buyer prior to incurring obligations to pay legal fees in excess of \$5,000. Buyer further agrees to indemnify and hold Seller and City harmless from and against any and all claims for recovery of the third party's litigation expenses, including attorney's fees. If Buyer elects, in its sole and absolute discretion, not to contest such litigation challenges, then neither Seller nor City shall have any obligation to contest such challenges.

Section 7.17 Time.

Time is of the essence in the performance of each of the parties' respective obligations contained herein.

Section 7.18 Entire Agreement.

This Agreement, including the Exhibits hereto, contains all representations, warranties and covenants made by Buyer and Seller and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the Exhibits hereto.

Section 7.19 Counterparts.

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

Section 7.20 Exhibits.

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

Successor Agency to the Community Development Commission of the City of Rohnert Park, a public body established pursuant to the laws of the State of California

BUYER:

McDonald's Corporation, a Delaware corporation

By: _____
Darrin Jenkins
City Manager, City of Rohnert Park
Per Resolution No. 2015-____ adopted by the Rohnert Park City Council at its meeting of September 8, 2015.

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Eydie Tacata
Oversight Board Clerk

APPROVED AS TO FORM:

By: _____
Elizabeth Ann Strauss
Oversight Board Counsel

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Exhibit A
to Grant Deed

DESCRIPTION OF THE PROPERTY

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

All that certain real property situate in the City of Rohnert Park, County of Sonoma, State of California, being a portion of the lands of the CITY OF ROHNERT PARK, a Municipal Corporation, described in that certain Grant Deed recorded June 16, 1988 under Document Number 88048420, being a portion of Lot or farm numbered One Hundred and Sixty-Three (163) of Santa Rosa Farms Subdivision No. 2, as designated on the plat thereof filed in the office of the County Recorder of the County of Sonoma, State of California on March 7, 1910 in Book 21 of Maps, Page 14, being more particularly described as follows:

That portion of said Lot or farm numbered One Hundred and Sixty-Three (163) lying westerly of the westerly right of way of Redwood Drive as said Redwood Drive is shown on that certain map titled RECORD OF SURVEY OF REDWOOD DRIVE REALIGNMENT filed January 18, 1990 in Book 451 of Maps at Page 5 in said office of the County Recorder, said portion being shown on that certain RECORD OF SURVEY filed January 8, 1992 in Book 488 of Maps at Page 20 in said office of the County Recorder and being further described as follows:

BEGINNING at the northwesterly corner of said lands; thence southerly, along the westerly line of said lands, South $00^{\circ}06'04''$ West, 280.23 feet to the westerly right of way of Redwood Drive, being a point of cusp on a curve concave southeasterly, having a radius of 551.00 feet; thence northeasterly along said westerly right of way from a tangent that bears North $00^{\circ}06'04''$ East, through a central angle of $30^{\circ}31'07''$ an arc distance of 293.49 feet to the northerly line of said lands; thence westerly, along said northerly line, North $89^{\circ}34'56''$ West, 76.33 feet to the POINT OF BEGINNING.

Containing 0.16 acres, more or less.

APN: 045-081-007

COUNTY ASSESSOR'S PARCEL MAP

45-08

TAX RATE AREA
7-014
7-015

Pin of

SANTA ROSA FARMS NO. 2
REC. 07-07-10 IN BK. 21, MAPS, PGS. 14-00

Parcel Map No. 124
REC. 05-09-89 IN BK. 436, MAPS, PGS. 22-23

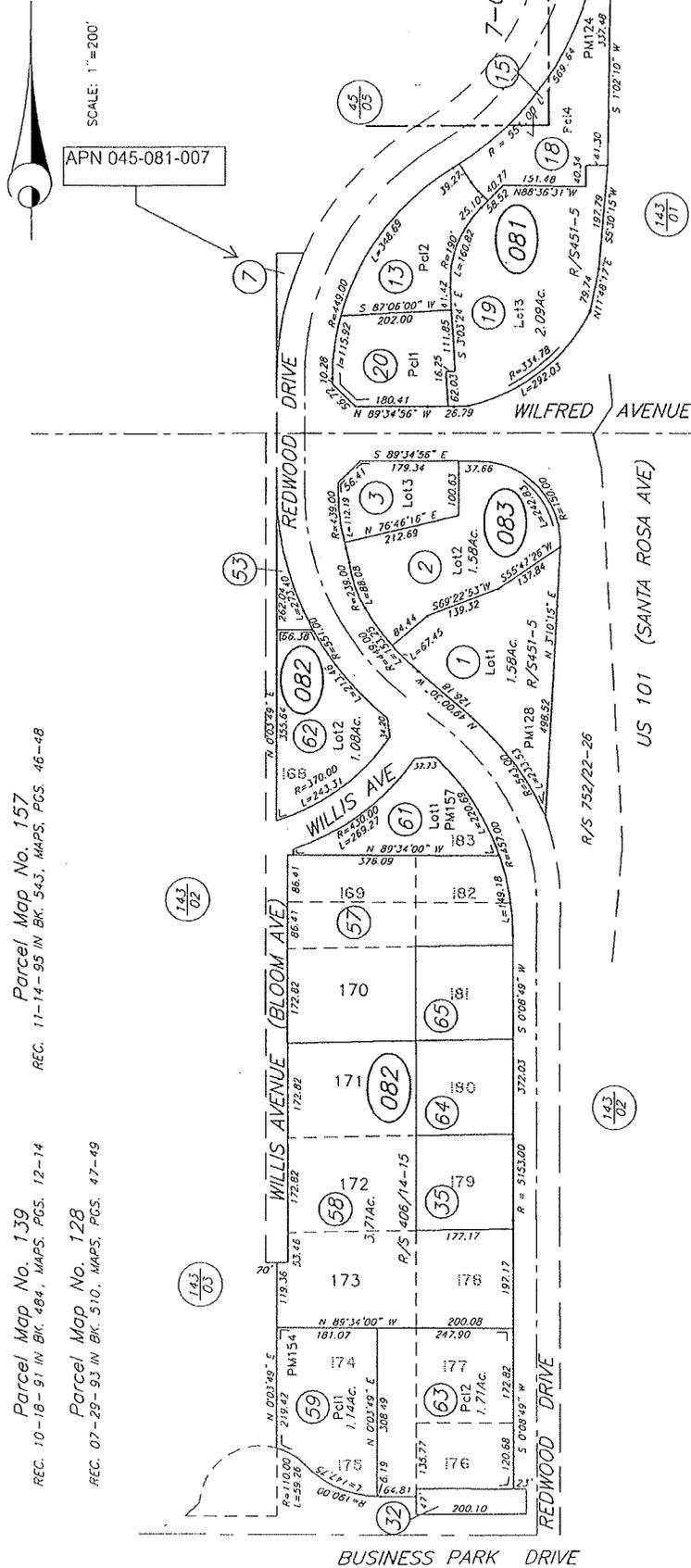
Parcel Map No. 139
REC. 10-18-91 IN BK. 484, MAPS, PGS. 12-14

Parcel Map No. 154
REC. 07-22-94 IN BK. 526, MAPS, PGS. 30-32

Parcel Map No. 157
REC. 11-14-95 IN BK. 543, MAPS, PGS. 46-48

Parcel Map No. 128
REC. 07-29-93 IN BK. 510, MAPS, PGS. 47-49

EXHIBIT A-1
DEPICTION OF THE PROPERTY



APN 045-081-007

SCALE: 1"=200'

REVISED
01-04-00=63-(082)-LSL
02-20-08=65-(082)-KB
10-31-12=R/S BU

Assessor's Map Bk. 045, Pg. 08
Sonoma County, Calif. (ACAD)
KEY 2-20-08=65 KB

NOTE: This map of property for assessment purposes only and does not indicate parcel legality or a valid building site. No liability is assumed for the accuracy of the data delineated. The acreages are based on the information furnished by the owner, maps, recorded deeds, prior assessment maps, etc.

NOTE: Assessor's parcels do not necessarily constitute legal lots. To verify legal parcel status, check with the appropriate city or county community development or planning division.

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY
_____ Title Insurance Company

AND WHEN RECORDED MAIL TO:

Attention: _____

(Space Above This Line for Recorder's Use Only)
[Exempt from recording fee per Gov. Code § 27383]

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF ROHNERT PARK, a public body established under the laws of the State of California (“**Grantor**”), hereby grants to McDonald’s Corporation, a Delaware corporation (“**Grantee**”), all of Grantor’s right, title, and interest in the real property described in Attachment 1 attached hereto and incorporated herein (“**Property**”).

GRANTOR:

Successor Agency to the Community Development Commission of the City of Rohnert Park, a public body established pursuant to the laws of the State of California

By: _____ **[FORM – DO NOT EXECUTE]**
Darrin Jenkins
[signature must be notarized]
City Manager, City of Rohnert Park

ATTEST:

By: _____
JoAnne Buergler, City Clerk

APPROVED AS TO FORM:

By: _____
Michelle Marchetta-Kenyon, City Attorney

ATTACHMENT 1
TO EXHIBIT B

PROPERTY DESCRIPTION

[to be inserted]