

Attachment C

**REAL PROPERTY ACQUISITION
AND
PROJECT TRANSFER AGREEMENT**

PAJARO NEIGHBORHOOD PARK

THIS REAL PROPERTY ACQUISITION AND PROJECT TRANSFER AGREEMENT ("Agreement") is dated for reference purposes as of October 22, 2013, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY, a public body, corporate and politic ("Grantor"), and the PARAJO/SUNNY MESA COMMUNITY SERVICES DISTRICT, ("Grantee"), with reference to the following facts:

RECITALS

Grantor owns that certain real property located in the unincorporated area of the County of Monterey, State of California, located at 24 San Juan Road, bearing Assessor's Parcel Numbers 117-341-009, 117-341-010, and 117-331-025, and more particularly described in Exhibit A attached hereto and made a part hereof ("Property").

A. California Assembly Bill IX 26, enacted on June 28, 2011 and upheld by the California Supreme Court on December 29, 2011, dissolved all California redevelopment agencies effective February 1, 2011 through amendments to the California Health and Safety Code (the "Amended Code"). Pursuant to Sections 34173, 34175, and 34176 of the Amended Code, and by operation of law, the County of Monterey, as Successor Agency to the Redevelopment Agency of the County of Monterey, has assumed the rights, duties, and obligations pertaining to all functions of the original County redevelopment agency, and as such has assumed the rights, duties, and obligations pertaining to the Property. Consequently, the County of Monterey in its capacity as Successor Agency, and not the original redevelopment agency, is party to this Agreement.

B. The Successor Agency has succeeded as the recipient of a grant in the amount of Five Million Dollars (\$5,000,000) issued by the State of California pursuant to the Statewide Park Development and Community Revitalization Program of 2008 (Proposition 84) (the "Grant"), for the purpose of developing a public park presently known as the Pajaro Neighborhood Community Park (the "Project").

C. On November 9, 2011, by approval of Resolution No. 11-039 (PLN090275), the Monterey County Planning Commission approved a Combined Development Permit to allow the Project.

D. On December 4, 2012, Grantor and Grantee entered into an Operations and Management Agreement, whereby the parties agreed that upon completion of the park improvements and recording of a Notice of Completion for the construction of the Project, Grantee will accept responsibility to operate and maintain the completed improvements as a public park in compliance with the terms and conditions of the Grant and the Combined Development Permit.

E. Grantor has caused construction of the Project to begin and anticipates completion in December, 2013.

F. On the terms and conditions set forth in this Agreement, Grantor desires to convey and donate the Property and all improvements thereon to Grantee for public purposes and Grantee desires to acquire and accept the Property and improvements from Grantor.

AGREEMENT

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, Grantee and Grantor hereby agree as follows:

ARTICLE 1. GRANT AND CONVEYANCE

1.1 The Property. On the terms and subject to the conditions set forth in this Agreement, Grantor agrees to grant and convey to Grantee for public uses and purposes, and Grantee agrees to acquire and accept from Grantor for public uses and purposes, the entirety of the Property, together with all buildings, structures and improvements located on the Property, if any, and any rights appurtenant to the Property

1.2 Effective Date. For purposes of this Agreement, the "Effective Date" shall be the date on which this Agreement is fully executed by both Grantee and Grantor and a copy of this fully executed Agreement is delivered to the Title Company.

ARTICLE 2. CONSIDERATION

2.1 Consideration. Grantor acquired the Property for the purpose of developing a public park commonly known as the Pajaro Neighborhood Park, in part through the use of grant funds issued by the State of California pursuant to the Statewide Park Development and Community Revitalization Program of 2008 (Proposition 84) ("Grant"). Pursuant to the terms and conditions of the Grant, Grantor desires and agrees to donate and convey the Property to Grantee for charitable or public uses and purposes and for no monetary consideration, but only upon the assumption of the obligations of the Grant by Grantee. Grantee has reviewed the terms of the Grant and other documents, including the Combined Development Permit ("CDP") for the Project, and has agreed to accept the Property and assume the obligations stated in the Grant and the CDP.

ARTICLE 3. COMPLETION OF CONVEYANCE

3.1 Place and Date. The transfer and conveyance of the Property shall be completed in accordance with Article 9 hereof ("Closing"). The Closing shall occur through an escrow (the "Escrow") with Chicago Title Company ("Title Company"), whose address is 50 Windham Street, Salinas, California 93901, or at such other place as Grantor and Grantee agree in writing. The Escrow shall be deemed open on the Effective Date. Subject to the conditions precedent described in Article 8 hereof, the Closing shall occur on or as soon as reasonably possible after the Effective Date, but not later than thirty (30) days after Grantor has accepted the Park improvements as complete and authorized the issuance of a Notice of Completion for the Project,

unless extended by Grantor and Grantee in writing (the "Closing Date"). In the event there exists a failed condition to Grantee's or Grantor's obligation and Grantee and Grantor do not agree to extend the Closing Date, or such failed condition exists after expiration of any such extension, then the party for whose benefit such condition exists may waive the condition or terminate this Agreement by written notice to the other party and to the Title Company. The Escrow shall be considered closed when the Deed is recorded in the Official Records of Monterey County, California.

3.2 Escrow Instructions. This Agreement shall constitute escrow instructions to and for the benefit of the Title Company to facilitate the Closing. Prior to the Closing Date, Grantor and Grantee shall each give any additional written escrow instructions ("Supplemental Escrow Instructions") to the Title Company which are necessary for the Closing in accordance with this Agreement. In the event there is a conflict between any such Supplemental Escrow Instructions and the provisions of this Agreement, the provisions of this Agreement shall control.

3.3 Retained Obligations and Responsibilities. Notwithstanding the Close of Escrow and transfer of Property, Grantor and Grantee agree that Grantor, as the recipient of the Grant shall retain the obligation and responsibility to administer the following activities in relation to the construction contract awarded by Grantor to develop the park in compliance with the Grant:

- a. Completion by the contractor of any uncompleted activities (punch list).
- b. Curing of any deficiencies in payments to contractor's workers or vendors during the Mechanics Lien period after recording of the Notice of Completion.
- c. Final payments owing to the contractor, including release of retained contract funds.
- d. Completion of post-completion construction management and architectural activities, including but not limited to final project cost accounting, completion of record or "as-built" drawings, assembly and archiving of project files, final payments to consultants, etc.
- e. Receipt of final payments of state grant funds from the granting agencies indicated in Recital B herein, and the performance of any audits of said grants by the State.
- f. Final project cost accounting, closing out of Successor Agency funding for the Project, and the return of any unexpended Successor Agency funds as may be required by law.

In addition, Grantor shall transfer to Grantee any and all warranties issued by any contractor or subcontractor relating to workmanship and materials that may be issued to Grantor as part of the Project. Such transfer of warranties shall occur as soon as possible after receipt, but no later than ten (10) business days of receipt. Grantor shall also cooperate with Grantee to resolve any problems relating to warranties or the need to resort to warranties, until such time as those warranties are transferred to Grantee.

ARTICLE 4. REVIEW OF THE PROPERTY

4.1 Delivery of Documents. Within five (5) business days after the Effective Date, Grantor shall, at the expense of Grantor, deliver to Grantee the following documents, each to the extent in Grantor's actual possession (without any duty to generate or obtain the same from third parties) and to the extent not delivered to Grantee by Grantor prior to execution of this Agreement:

4.1.1 Surveys and Assessments. One copy of any surveys of the boundaries of the Property; and one copy of any and all engineering, assessments, reports and/or surveys regarding the physical, soils, geological, wetlands, and/or environmental condition of the Property.

Grantee acknowledges and agrees that any documents delivered to Grantee pursuant to this Agreement shall be delivered to Grantee without any representations or warranties by Grantor with the exception of the representation set forth in Section 6.1.2 hereof. Grantee expressly agrees that (a) any documents and information furnished by Grantor to Grantee are for informational purposes only and without representation or warranty as to their accuracy or the completeness of their contents; and (b) Grantee will not rely on such documents and information and will conduct its own inspections and due diligence relating to the Property.

4.2 Access for Review.

4.2.1 Studies Generally. From the date of this Agreement to the Closing Date, Grantor shall provide Grantee and Grantee's agents and representatives with access to the Property, at all reasonable times to make such reasonable inspections, tests, copies, verifications, surveys, assessments, and studies ("Studies") as Grantee considers reasonably necessary or desirable under the circumstances. Grantor shall also make available to Grantee's agents access to employee(s) with knowledge of the historical use of the Property, including site conditions. Grantee shall not damage or alter the Property in any material respect as a result of such Studies, and shall otherwise conduct the same so as not to unreasonably interfere with present operations, if any, on the Property. Any such Studies shall be made at Grantee's sole cost and expense.

4.2.2 Intrusive Studies. If Grantee plans to undertake any Studies on or about the Property which involve intrusion to the surface of the Property or the use of any testing, monitoring or other equipment, then Grantee must (a) give Grantor advance written notice describing the scope and schedule of the work or activities involved in the Studies and the identity of the contractor, (b) prior to any entry on to the Property, deliver to Grantor proof of commercial general liability insurance of at least \$1,000,000 covering any and all parties entering the Property to perform such intrusive studies and listing Grantor as additional insured, which insurance shall be primary and noncontributing with any insurance carried by Grantor and issued on an occurrence basis, and (c) after the completion of the work or Studies, restore the Property to a condition substantially similar to that existing at the time immediately prior to the work or Studies.

ARTICLE 5. TITLE TO THE PROPERTY

5.1 Grant Deed. On the Closing Date, Grantor shall convey fee simple absolute title to the Property to Grantee by means of a duly executed and acknowledged Grant Deed ("Deed") in the form of Exhibit B attached hereto, reciting that title is subject to real property taxes and assessments not yet due and payable, matters ascertainable by a reasonable inspection and survey of the Property, matters recorded in the Monterey County Recorder's Office and any additional off-record matters approved by Grantee.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES

6.1 Grantor. Grantee acknowledges that Grantee is acquiring the Property "AS-IS, WHERE-IS, IN ITS CURRENT CONDITION, WITH ALL FAULTS" and in reliance upon its own Studies, investigations and due diligence. No person acting on behalf of Grantor is authorized to make (and by execution hereof, Grantee acknowledges and agrees that, with the exception of those representations and warranties contained in this Section 6.1, Grantor has not made, does not make and specifically negates and disclaims) any representations or warranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, with regard to the Property, including without limitation (1) its value; (2) its nature, condition or quality (including without limitation, its water, soil and geology); (3) its compliance with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (4) its suitability for activities which Grantee may desire to conduct thereon; (5) its suitability for any development desired by Grantee or the ability of Grantee to develop the Property; (6) the income to be derived from the Property; (7) the habitability, merchantability, profitability or fitness for a particular purpose of the Property; (8) the environmental condition of the Property; and (9) the manner, quality, state of repair or lack of repair of the Property. With the foregoing limitations, and subject to the matters described in Exhibit C attached hereto ("Warranty Exceptions"), Grantor represents and warrants to Grantee as of the date of this Agreement as follows:

6.1.1 Power and Authority. Grantor is a public body, duly organized and validly existing and in good standing under the laws of the State of California. Grantor has full power and authority to enter into this Agreement and to perform this Agreement. The execution, delivery and performance of this Agreement by Grantor have been duly and validly authorized by all necessary company actions on the part of Grantor and all required consents or approvals by the members, managers, and/or officers of Grantor have been duly obtained. This Agreement is a legal, valid and binding obligation of Grantor, enforceable against Grantor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies.

6.1.2 Documents True and Correct. All of the copies of the documents delivered to Grantee pursuant to Section 4.1 hereof are true, correct and complete copies of all originals of such documents in Grantor's possession.

6.1.3 Environmental Condition. To the best knowledge of Grantor, (a) there has previously been soil or ground water contamination or pollution with Hazardous Substances on the Property, and/or there previously has been discharge, disposal or dumping of Hazardous

Substances on the Property, and such Hazardous Substances may be present on Property; (b) underground or above ground storage tanks may be located on the Property; (c) there may be endangered or protected species of either plant or animal located on the Property, (d) there may be vernal pools or wetlands located or suspected to be located on the Property, (e) there may be endangered or protected species of either plant or animal located on the Property, (f) there may be Indian burial grounds or archaeological artifacts located on the Property, and (g) the Property may be in violation of Environmental Laws. However, as set forth in Section 7.3.3 below, Grantor has received a "Letter of No Further Action" dated June 9, 2009 with respect to the Property, issued by the Monterey County Department of Health, Environmental Health Bureau.

6.1.4 No Pending Actions. There are no actions or proceedings pending or, to the best knowledge of Grantor, threatened or being contemplated against or involving the Property.

6.1.5 No Conflict. Neither the execution, delivery or performance by Grantor of this Agreement, nor compliance with the terms and provisions hereof, conflicts or will conflict with or will result in a breach or violation of any order, writ, injunction or decree of any court or governmental authority against Grantor, or any indenture, mortgage or contract or other agreement or instrument to which Grantor is a party or by which it or any of its properties is bound, or constitutes or will constitute a default thereunder.

6.2 Grantee. The representations and warranties of Grantee in this Section 6.2 are a material inducement for Grantor to enter into this Agreement. Grantor would not convey the Property to Grantee without such representations and warranties of Grantee. Grantee represents and warrants to Grantor as follows:

6.2.1 Power and Authority. Grantee is a public body, corporate and politic, with full power and authority to enter into this Agreement and to perform this Agreement, subject to approval by the Board of Directors of the Pajaro/Sunny Mesa Community Services District. Upon approval of this Agreement by the Board of Directors of the Pajaro/Sunny Mesa Community Services District, the execution, delivery and performance of this Agreement by Grantee will have been duly and validly authorized by all necessary action on the part of Grantee and all required consents or approvals by all governmental, quasi-governmental and other public bodies will have been duly obtained. This Agreement is a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies.

6.2.2 Studies/Diligence. Grantee is a sophisticated party with experience in acquiring and owning real properties similar to the Property. Prior to the Effective Date Grantee has been kept informed of the development of the Park, and has had permission to inspect or otherwise review the progress of the Park's development. On and after the Effective Date Grantee will continue to independently inspect the Property and perform various Studies with respect to the Property. Grantee has entered into this Agreement in light of its knowledge with regard to the Property to date and based upon its experience, rights and intentions to make such further Studies and inspections as it deems necessary.

6.2.3 No Conflict. Neither the execution, delivery or performance by Grantee of this Agreement, nor compliance with the terms and provisions hereof, conflicts or will conflict with or will result in a breach or violation of any ordinance, order, writ, injunction or decree of any court or governmental authority against Grantee, or any indenture, contract, agreement or instrument to which Grantee is a party or by which it is bound.

ARTICLE 7. COVENANTS

7.1 Grantor. Grantor covenants and agrees with Grantee as follows:

7.1.1 Indemnity. Grantor shall indemnify and defend Grantee against and hold Grantee harmless from all claims, demands, liabilities, judgments, awards, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, costs of expert witnesses, court costs, and other expenses of litigation) that may be suffered or incurred by Grantee if any representation or warranty expressly made by Grantor in this Agreement is untrue or incorrect in any material respect when made or that may be caused by any material breach by Grantor of any covenant expressly made by Grantor in this Agreement. The foregoing indemnity of Grantor shall survive the Closing and any earlier termination of this Agreement.

7.2 Grantee. Grantee covenants and agrees with Grantor as follows:

7.2.1 Indemnity. Grantee shall indemnify and defend Grantor against and hold Grantor harmless from all claims, demands, liabilities, judgments, awards, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, costs of expert witnesses, court costs, and other expenses of litigation) that may be suffered or incurred by Grantor if any representation or warranty expressly made by Grantee in this Agreement is untrue or incorrect in any material respect or that may be caused by any material breach by Grantee of any covenant expressly made by Grantee in this Agreement. The foregoing indemnity of Grantee shall survive the Closing and any earlier termination of this Agreement.

7.3 Environmental Matters.

7.3.1 Certain Definitions. For purposes hereof:

(a) "Agencies" shall mean any and all government agencies with jurisdiction in regards to the presence of Hazardous Substances and/or the violation of Environmental Laws;

(b) "Activities" shall mean any and all investigation, remediation and monitoring activities with regard to the Present Contamination on the Property which are required by Agencies in accordance with applicable law;

(c) "Present Contamination" shall mean any contamination of the Property by Hazardous Substances as of the Effective Date;

(d) "Hazardous Substances" shall mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous,

toxic or radioactive substance, hazardous or potentially hazardous to human health, or other similar term, by any federal, state or local environmental and/or health statute, regulation, or ordinance presently in effect, including without limitation residual petroleum hydrocarbons; and

(e) "Environmental Laws" shall mean any law, statute, ordinance or regulation pertaining to health, industrial hygiene, Hazardous Substances, or the environment.

7.3.2 Grantee Environmental Assessments. Grantee acknowledges that (a) Grantor has heretofore provided Grantee with copies (and may hereafter pursuant to Section 4.1 hereof provide Grantee with additional copies) of certain environmental reports and site assessments with regard to the Property, including without limitation, (i) Phase I/II Environmental Site Assessment (Weber, Hayes & Associates, September 8, 2008), (ii) Limited Remedial Excavation (Grading) and Proper Disposal of Shallow Motor Oil Impacted Soils (Weber, Hayes & Associates, April 21, 2009), and (iii) Monitoring Well Destruction (Weber, Hayes & Associates, May 20, 2009), and (b) the Monterey County Health Department, Environmental Health Bureau, no further action letter issued to Grantor, indicating that the shallow soil contamination previously existing on the Property has been remediated, a monitoring well discovered on the Property was properly destroyed, and no further action is required at the Property (June 9, 2009), and (c) Grantee has been provided with rights and access to the Property in order to obtain any additional environmental assessments, tests, investigations and Studies that Grantee deems necessary, and (d) Grantee has heretofore commissioned and obtained certain environmental site assessments with regard to the Property which describe the present environmental condition of the Property and whether any Hazardous Substances are currently present at the Property.

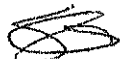
7.3.3 Remediation Cost Reimbursement. Grantor and Grantee acknowledge that Grantor conducted certain environmental remediation activities on the Property, and such activities have been determined by the appropriate permitting bodies to be adequate. Grantee acknowledges the existence of a "No Further Action" Notice issued by the Monterey County Department of Health with respect to the Property.

7.3.4 Remediation After Closing. Grantee hereby agrees effective on the Closing Date to assume all obligation, liability and responsibility for performing or causing to be performed any and all remediation required for events which occur after Close of Escrow.

7.3.5 Release. Grantee and anyone claiming by, through or under Grantee hereby fully and irrevocably releases Grantor and each of Grantor's representatives, agents, servants, attorneys, affiliates, successors and assigns, and all persons, firms, corporations and organizations acting on their behalf, from any and all claims that it may now have or hereafter acquire against Grantor or any of their representatives, agents, servants, attorneys, affiliates, successors and assigns, for any costs, losses, liabilities, damages, expenses, demands, actions or causes of action arising from or related to (a) the condition of the Property, including without limitation any construction defects, errors, omissions or other conditions, latent or otherwise, and/or geotechnical, seismic or environmental matters affecting the Property or any portion thereof, including without limitation any Present Contamination, (b) any liability or obligation to perform any Activities with respect to any Present Contamination, and (c) any interference to Grantee's use or operation of the Property caused by the Present Contamination or any necessary Activities.

THIS RELEASE INCLUDES CLAIMS OF WHICH GRANTEE IS PRESENTLY UNAWARE OR WHICH GRANTEE DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY GRANTEE, WOULD MATERIALLY AFFECT GRANTEE'S RELEASE TO GRANTOR. GRANTEE SPECIFICALLY WAIVES THE PROVISION OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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



GRANTEE'S INITIALS

ARTICLE 8. CONDITIONS PRECEDENT

8.1 Grantor. The obligations of Grantor under this Agreement to close the transfer and convey the Property to Grantee are subject to satisfaction of all of the conditions set forth in this Section 8.1. Grantor may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. If any condition set forth in this Section 8.1 is not fully satisfied or waived in writing by Grantor within the time indicated, then Grantor shall be released from all obligations to Grantee under this Agreement. If Grantor fails to notify Grantee of Grantor's disapproval of any items requiring Grantor's approval within the time period specified below, then Grantor shall be deemed to have approved such items.

8.1.1 No Default. On the Closing Date, Grantee shall not be in default in the performance of any covenant or agreement to be performed by Grantee under this Agreement.

8.1.2 Representations and Warranties True and Correct. On the Closing Date, all representations and warranties made by Grantee in this Agreement shall be true and correct as if made on and as of the Closing Date, without exceptions.

8.1.3 No Contest. On the Closing Date, no suit, action, investigation, inquiry or other proceeding by any governmental body or other person or any legal or administrative proceeding shall have been instituted against Grantee or Grantor which challenges the validity or legality of the transactions contemplated by this Agreement.

8.1.4 Acceptance By Grantor. On the Closing Date, the Board of Directors of the Successor Agency to the Redevelopment Agency of the County of Monterey and/or all other necessary governmental or quasi-governmental bodies or agencies shall have passed all appropriate resolutions accepting title to the Property or the conveyance or grant of the Property pursuant to this Agreement.

8.2 Grantee. The obligations of Grantee under this Agreement to acquire the Property and accept title from Grantor are subject to satisfaction of all of the conditions set forth

in this Section 8.2. Grantee may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. If any condition set forth in this Section 8.2 is not fully satisfied or waived in writing by Grantee, then Grantee shall be released from all obligations to Grantor under this Agreement. If Grantee fails to notify Grantor of Grantee's disapproval of any items requiring Grantee's approval within the time period specified below, then Grantee shall be deemed to have approved such items.

8.2.1 Studies. On or before the Closing Date, Grantee shall have approved in Grantee's sole discretion, the results of any and all Studies with respect to the Property as Grantee may elect to make or obtain. The failure of Grantee to disapprove its Studies and the condition of the Property and to terminate this Agreement in writing prior the Closing Date shall irrevocably be deemed to constitute Grantee's (a) unconditional approval of its Studies and the condition of the Property, and (b) election to close its acquisition of the Property subject to satisfaction of the other conditions set forth in this Section 8.2.

8.2.2 No Contest. On the Closing Date, no suit, action, investigation, inquiry or other proceeding by any governmental body or other person (other than Grantee) or any legal or administrative proceeding shall have been instituted or threatened against Grantee, Grantor or the Property or any part thereof which challenges the validity or legality of the transactions contemplated by this Agreement.

8.2.3 No Default. On the Closing Date, Grantor shall not be in default in the performance of any covenant or agreement to be performed by Grantor under this Agreement.

8.2.4 Representations and Warranties True and Correct. On the Closing Date, all representations and warranties made by Grantor in this Agreement shall be true and correct as if made on and as of the Closing Date, without exceptions. Notwithstanding the foregoing, if prior to the Closing Date Grantee discovers that any representation or warranty made by Grantor in this Agreement was not true when made or is not true as of the Closing Date, and if Grantee nevertheless elects to close its acquisition of the Property as set forth herein, then Grantee shall be deemed to have irrevocably waived any claim against Grantor relating to said representation or warranty and to release Grantor from any liability, breach or claim relating thereto.

8.2.5 Acceptance By Grantee. On the Closing Date, the Board of Directors of the Pajaro/Sunny Mesa Community Services District and/or all other necessary governmental or quasi-governmental bodies or agencies shall have passed all appropriate resolutions accepting title to the Property or the conveyance or grant of the Property pursuant to this Agreement.

ARTICLE 9. CLOSING

9.1 Procedure.

9.1.1 Deliveries.

9.1.1.1 Not less than one (1) day prior to the close of Escrow, subject to the satisfaction of the conditions to Grantor's obligations set forth in this Agreement, Grantor shall deliver the Deed into Escrow with the Title Company fully executed by Grantor and acknowledged and in recordable form.

9.1.1.2 Not less than three (3) business days after the opening of Escrow, Grantee must deliver a copy of this fully executed Agreement into Escrow with the Title Company.

9.1.2 Additional Deliveries. Grantee and Grantor shall each deposit into Escrow such other instruments and items as are reasonably required by the Title Company or otherwise required to close the Escrow and to consummate the transactions contemplated by this Agreement.

9.1.3 Recording. At the Closing on the Closing Date, Grantor and Grantee shall cause the Deed conveying the Property to Grantee and all necessary and appropriate certificates of acceptance from Grantee to be recorded in the Official Records of Monterey County, California.

9.2 Possession. Grantor shall transfer possession of the Property to Grantee on the Closing Date.

9.3 Closing Costs. Grantee and Grantor shall each pay one-half (1/2) of (a) all city, county and other documentary transfer taxes and conveyance taxes in respect of the conveyance of the Property, if any, (b) any document prep, notary and delivery fees, (c) any escrow fees, and (d) any recording fees.

9.4 Prorations. All current income and expenses of the Property shall be prorated between Grantor and Grantee as of the Closing Date on the basis of a thirty-day month and, to the extent of information then available, such prorations shall be made at the Closing.

9.5 Broker's Commission. Grantee and Grantor each warrant and represent to the other that it has not retained, nor is it obligated to, any person for brokerage, finder's or similar services in connection with the transactions contemplated by this Agreement, and that no commission, finder's fee or other brokerage or agent's compensation can be properly claimed by any person or entity based upon the acts of such party with regard to the transactions which are the subject matter of this Agreement.

ARTICLE 10. DEFAULT

10.1 Effect of Default. If, after satisfaction of all conditions precedent to a party's obligations under this Agreement, such party ("delinquent party") shall fail or refuse to consummate the transactions which are the subject of this Agreement within the time and in the manner specified in this Agreement, then the sole and exclusive remedy of the other party ("nondelinquent party"), and in substitution for any other remedies that may exist at law or in equity (including, without limitation, an action for damages), shall be to terminate this Agreement by giving prior written notice thereof to the delinquent party and to the Title Company, and upon such termination and receipt by the delinquent party of such notice, all

parties to this Agreement shall be released from all obligations in law or in equity to convey or acquire the Property, as the case may be.

ARTICLE 11. GENERAL PROVISIONS

11.1 Notices. All notices, consents, approvals and other communications under this Agreement shall be in writing and shall be deemed to have been duly given or made (a) upon delivery if hand delivered; (b) one (1) business day after delivery to any nationally recognized overnight courier service for next business day delivery, fee prepaid; (c) one (1) business day after facsimile transmission, with transmission verified and a hard copy of the transmission promptly sent by U. S. Mail; or (d) three (3) days after deposit with the United States Postal Service as registered or certified mail, postage prepaid, and in each case addressed as follows:

To Grantor: Successor Agency to the Redevelopment Agency of the
County of Monterey
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901
Attn: Director of Economic Development

To Grantee: Pajaro/Sunny Mesa Community Services District
136 San Juan Road
Watsonville, CA 95076
Attn: General Manager

11.2 Merger/Entire Agreement. This Agreement, together with the Operation and Maintenance Agreement, dated October 12, 2012, between the parties ("O&M Agreement"), is intended to be the entire agreement of the parties with respect to the transfer of the Project. All prior negotiations and written and contemporary oral agreements between the parties and their agents with respect to the transactions contemplated by this Agreement are merged in this Agreement together with its exhibits and the O&M Agreement and its exhibits.

11.3 Time. Time is of the essence in the performance of the parties' respective obligations pursuant to this Agreement.

11.4 Attorneys' Fees. If there is any legal action, arbitration or proceeding between Grantor and Grantee arising from or based on this Agreement or the interpretation or enforcement of any provisions hereof, then the unsuccessful party to such action, arbitration or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in such action, arbitration or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, arbitration, proceeding or appeal, then such costs, expenses and attorneys' fees shall be included in and as a part of such judgment. For purposes hereof, the "prevailing party" shall be the party which recovers substantially the relief sought by said party, whether by judgment, settlement, dismissal or otherwise, in connection with any such action, proceeding or arbitration.

11.5 Successors and Assigns. This Agreement and the rights and obligations hereunder shall not be assigned or conveyed by Grantee to any other entity or person without the prior written consent of Grantor, which consent may be withheld in the sole and absolute discretion of Grantor. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective authorized successors and assigns.

11.6 Amendments or Modifications. This Agreement is subject to amendment or modification only with the written consent of both of the parties.

11.7 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

11.8 Construction. Grantor and Grantee acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either party in connection with the transactions contemplated by this Agreement. The captions in this Agreement are for convenience of reference only and shall not be used to interpret this Agreement.

11.9 Terms Generally. The defined terms in this Agreement shall apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine or neuter forms. The term "person" includes individuals, corporations, partnerships, trusts and other entities and associations. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" shall be deemed to be preceded by the word "written."

11.10 Further Assurances. From and after the date of this Agreement, Grantor and Grantee agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

11.11 Partial Invalidity. If any provision of this Agreement is determined by a proper court to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement and this Agreement shall remain in full force and effect without such invalid, illegal or unenforceable provisions provided that the severance of such provision(s) does not result in a material failure of consideration under this Agreement to either party hereto.

11.12 Exhibits. The Exhibits attached to this Agreement are made a part of this Agreement.

11.13 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts with the same effect as if the parties executing several counterparts had executed one counterpart and all such executed counterparts shall together constitute one and the same instrument. Facsimile signatures on this Agreement shall be binding as if original.

11.14 Holidays. In the event any date for performance of any obligation or the giving of any notice pursuant to this Agreement occurs on a California state or federal holiday or on a Saturday or Sunday, then the next business day shall be deemed the applicable date for performance or notice.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement as of the date first hereinabove written.

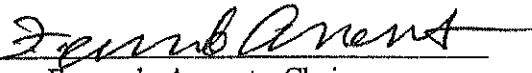
GRANTEE:

PAJARO/SUNNY MESA COMMUNITY
SERVICES DISTRICT, a public body

By: 
Steve Snodgrass, Chair
Board of Directors

GRANTOR:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
COUNTY OF MONTEREY, a public body,
corporate and politic

By: 
Fernando Armenta, Chair
Board of Directors

Approved as to form:

By: 
Kathryn Reimann
Sr. Deputy County Counsel