

June 10, 2024 Letter of Intent



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June 13, 2024

Mr. John Pedicini  
JP Development  
20051 SW Cypress Street  
Newport Beach, CA 92660

Re: Letter of Intent – Counter Proposal  
OCTA Surplus Land – 14970-14990 Goldenwest Street  
Westminster, CA 92683

Dear John:

Thank you for your interest in the Orange County Transportation Authority (OCTA) Surplus Land at 14970-14990 Goldenwest Street, Westminster, CA 92683 (the "Property"). OCTA ("Seller") has authorized CBRE to issue this Letter of Intent – Counter Proposal ("Letter") for your review and approval. Thus, the purpose of this Letter is to respond to your interest in the purchasing the Property by outlining the general terms and conditions that would be acceptable to OCTA upon entering a definitive Purchase and Sale Agreement ("PSA").

1. Seller: Orange County Transportation Authority
2. Buyer: T&G Trust or approved assignee ("Buyer")
3. Property: OCTA Surplus Land - (± 15,190SF Improvements, ± 44,540SF Land)  
14970-14990 Goldenwest Street  
Westminster, CA 92683  
APNs 096-522-02 and -04
4. Purchase Price: FOUR MILLION FIVE HUNDRED DOLLARS (\$4,500,000), all cash at close of escrow.
5. Interest Purchased: Fee simple interest in all land and improvements. Buyer is acquiring the Property "AS IS" without any representation or warranty of Seller, expressed, implied or statutory, as to the nature or condition of or title to Property or its fitness for Buyer's intended use.
6. Due Diligence Period. Buyer shall have Thirty (30) days from the execution of the PSA to conduct due diligence ("Due Diligence Period"). During the Due Diligence Period, Seller shall grant Buyer full access to the Property to conduct due diligence, which shall be solely at Buyer's expense. Due diligence items may include, but not limited to, environmental, permits,

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zoning, geotechnical and title. Buyer shall further have the Due Diligence Period to satisfy themselves regarding "Paragraph 7 Contingencies" as outlined in Buyer's May 9, 2024, proposed Letter of Intent. During the Due Diligence Period, Buyer will have the unilateral right to approve or disapprove said items. Delivery of documents is subject to Seller's possession of, or ability to deliver said materials. Seller shall provide Buyer any surveys, environmental assessments, leases, permits, legal actions, or other property in Seller's possession regarding the Property.

7. Earnest Money Deposit: Within five days of opening escrow Buyer shall deposit ONE HUNDRED THOUSAND DOLLARS \$100,000 ("Deposit") into escrow. The Deposit shall be placed into an interest-bearing escrow account, with interest accruing for the benefit of the Buyer. The Deposit will be credited to the Purchase Price should escrow close on the Property. Upon expiration of the Due Diligence Period, Buyer's deposit shall be non-refundable.
8. Opening and Closing of Escrow: Escrow shall be opened at a title/escrow company ("Escrow Holder") selected by OCTA within three (3) days upon execution of the PSA. Buyer shall have fifteen (15) days following the end of the Due Diligence Period to close the transaction.
9. Closing Costs and Expenses: The cost of the CLTA portion of the Title Policy shall be paid by Seller. The cost of the ALTA Survey, any premium, any additional costs for the ALTA extended coverage additional to the premium for CLTA coverage, and the cost of any endorsements to the Title Policy shall be paid by Buyer. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to buyers and sellers for document and miscellaneous charges. Buyer shall pay all other escrow fees. If, as a result of no fault of Seller or Buyer, escrow fails to close, Seller and Buyer shall share equally all of Escrow Holder's fee and charges. Each party will be responsible for its own attorney fees.
10. Dual Agency Brokerage: Peter N. Andrich, CBRE, represents both Buyer and Seller. Buyer and Seller hereby consent to said Dual Agency.
11. Sales Commission: At the close of escrow, Seller shall be responsible for the payment of the brokerage commission to CBRE as per separate agreement. Each party hereby agrees to indemnify each other against any real estate commission claimed to be due and payable in connection with the sale of the Property other than as stated herein. Seller and Buyer each represent to each other that they have dealt with no broker other than Peter N. Andrich, CBRE.
12. Purchase and Sale Agreement: Seller to provide Buyer with a draft of the PSA incorporating the terms and conditions contained herein within five business (5) days of OCTA's Board of Directors approving this Letter. This Letter shall terminate and expire upon OCTA's Board of Directors rejecting this Letter.
13. Contingency: The sale of the Property is contingent upon OCTA reserving fee title and/or an easement in favor of the California State Department of Transportation (Caltrans) and the City of Westminster as depicted on Attachment A. The area being reserved is in conjunction with the freeway improvements recently constructed as part of the I-405 Improvement Project. In addition, OCTA is required, when selling property it declares as Surplus Land under Government Code section 54221, to place restrictions on the future residential development of such property and record a Declaration of Covenants and Restrictions Deed against the Property (Attachment B).

14. Non-Binding. *This Letter is not a commitment to sell the Property nor is it a commitment to exclusively negotiate with Buyer until OCTA's Board of Directors approve this Letter. The comments contained in this Letter do not address all of the Seller's terms and conditions that may be set forth in a PSA as the intent of this letter is general in nature is only an expression of the basic conditions to be incorporated into the PSA. It should be expressly understood that OCTA's Board of Directors is the only party authorized to approve any of the terms or conditions of any proposed sale of the Property. No agreement to sell the Property will exist until the execution of a binding PSA by both parties and if necessary, further approved by OCTA's Board of Directors. This Letter does not require either party to negotiate in good faith or to proceed to the completion of a binding PSA. The parties shall not be contractually bound unless and until they enter into a formal, written PSA, which must be in form and content satisfactory to each party and to each party's legal counsel, in their sole discretion. Neither party may rely on this Letter as creating any legal obligation of any kind. Notwithstanding the foregoing, Seller and Buyer agree to use reasonable efforts to negotiate and execute a mutually acceptable PSA within fifteen (15) business days thereafter.*

Unless this Letter is executed by Buyer and delivered to OCTA, or its agent, the time for acceptance of this Letter by Buyer shall expire at 5:00 PM, five (5) days from delivery to Buyer.

Thank you again for your interest and consideration in the Property. If you have any questions regarding this Letter or require any additional information, please do not hesitate to contact me.

Sincerely,

Peter N. Andrich  
Senior Vice President

**AGREED AND ACCEPTED:**  
John Pedicini, Trustee of T&G Trust:

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: 6-14-24

**AGREED AND ACCEPTED:**  
Orange County Transportation Authority

By: \_\_\_\_\_  
James G. Beil, Executive Director, Capital Programs

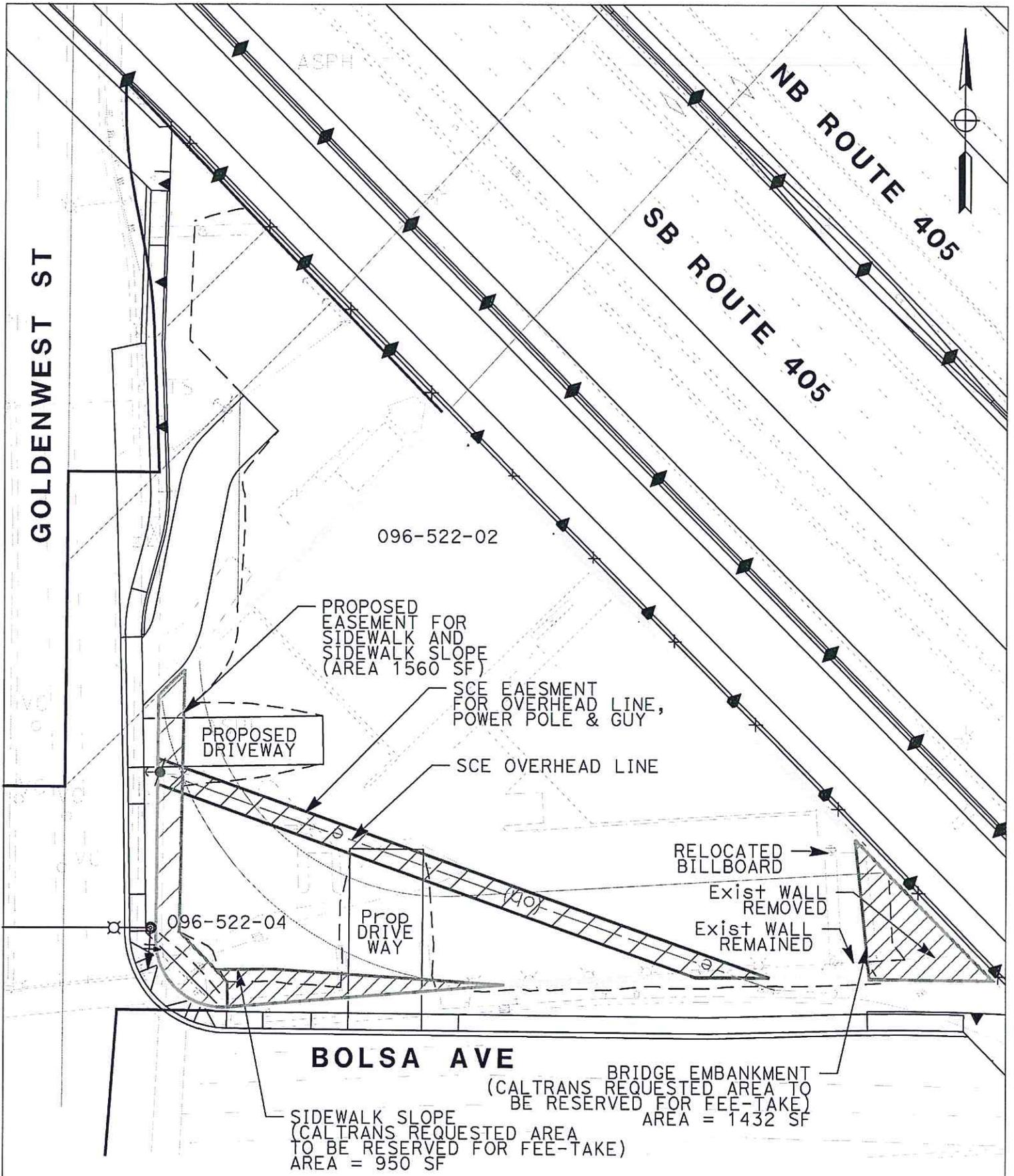
Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
James M. Denich, General Counsel

Date: 6/13/24

# **ATTACHMENT “A”**



- Exist PARCEL BOUNDARY
- Exist CALTRANS R/W
- ▨ PROPOSED CITY EASEMENT AFTER PROJECT IMPROVMENT
- ▨ AREA CALTRANS REQUESTED FOR FEE-TAKE
- ▨ UTILITY EASEMENT

**I-405 IMPROVEMENT PROJECT  
SURPLUS LAND  
EXHIBIT**

NO SCALE

05/22/2024

# ATTACHMENT "B"

<p><b>RECORDING REQUESTED BY</b></p> <p><b>AND WHEN RECORDED MAIL TO</b></p> <p>Orange County Transportation Authority  P.O. Box 14184  Orange, CA 92863-1584  Attention: Real Property Department</p> <p>No Fee for Recording Pursuant to Government Code Section 27383</p>	
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SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**DECLARATION OF COVENANTS AND RESTRICTIONS**

This Declaration of Covenants, Conditions and Restrictions ("Covenant") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_ ("Declarant"), an individual, and the Orange County Transportation Authority, a public entity of the State of California ("Authority") with reference to the following facts:

A. Declarant is the owner of that certain real property (with all improvements thereon) described in Exhibit "A" attached hereto and incorporated herein ("Property").

B. The Authority is the previous owner of the Property, which was conveyed to Declarant pursuant to a Grant Deed dated \_\_\_\_\_, and recorded in the Official Records of Orange County as Instrument No. \_\_\_\_\_ (the "Grant Deed"). The Grant Deed is attached as Exhibit "B" and incorporated in this Covenant by reference.

C. Government Code section 54233 requires the Authority, when selling property it declares as Surplus Land under Government Code section 54221, to place restrictions on the future residential development of such property.

D. The Authority has determined that the Property constitutes Surplus Land pursuant to Government Code section 54221.

E. Therefore, as a condition of conveyance of the Property to Declarant, Declarant and Authority agree to the following covenants and restrictions recorded against the Property pursuant to Government Code section 54233.

**NOW, THEREFORE**, the Authority and Declarant hereby declare that the following express covenants are to be taken and construed as running with the Property, including as set forth in California Civil Code section 1460, and, except as set forth below, shall pass to and be binding upon Declarant and its successors, assigns, heirs, grantees or lessees to the Property or any part thereof, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise. Each and every contract, deed, lease or other instrument covering or conveying the

Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted this Covenant and be subject to the covenants and restrictions contained herein regardless of whether such covenants and restrictions are set forth in such contract, deed, lease or other instruments. These covenants and restrictions shall be enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

**Section 1.** Declarant hereby declares that the recitals above are true and are hereby incorporated by reference.

**Section 2.** Declarant declares that if ten (10) or more residential units are developed on the Property, not less than fifteen percent (15%) of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, Lower Income Households for a period of at least fifty-five (55) years for rental housing and forty-five (45) years for ownership housing. The initial occupants of all ownership units shall be Lower Income Households, and the units shall be subject to an equity sharing agreement consistent with the provisions of Government Code section 65915(c)(2).

**Section 3.** Declarant agrees to: (a) incorporate by express reference the terms of this Covenant in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property; and (b) describe the Covenant in, and append it to, any contract for the transfer of any property interest in the Property.

**Section 4.** In the event that any one or more of the provisions contained in this Covenant shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Covenant shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**Section 5.** This Covenant may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

**Section 6.** Declarant and Authority shall cause this Covenant, and all amendments and supplements to it, to be recorded in the Official Records of the County of Orange, California.

IN WITNESS WHEREOF, Declarant and Authority have executed this Covenant as of the date first above written.

AUTHORITY:

DECLARANT:

Orange County Transportation Authority

By: \_\_\_\_\_  
James G. Beil, P.E.,  
Executive Director, Capital Programs

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

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
James M. Donich,  
General Counsel

Dated: \_\_\_\_\_

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**EXHIBIT "A"**  
**LEGAL DESCRIPTION OF PROPERTY**

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**EXHIBIT "B"**  
**GRANT DEED**

**ACKNOWLEDGEMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

On \_\_\_\_\_, 2024, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

(Seal)