

## EASEMENT TERMINATION AGREEMENT

**THIS EASEMENT TERMINATION AGREEMENT** (the "Easement Termination Agreement"), dated as of March 22, 2016 (the "Agreement Date"), is entered into by and between the **SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT** (the "Successor Agency"), and **SIMPSON GARDEN GROVE, INC.**, a Delaware corporation doing business as Simpson Chevrolet of Garden Grove ("Simpson").

### RECITALS

A. In 1995, the Garden Grove Agency for Community Development ("Redevelopment Agency") entered into an agreement with JMV's Family Chevrolet & GEO, Inc. ("Developer") entitled "Disposition and Development Agreement" (the "DDA") under which the Redevelopment Agency conveyed certain property to Developer for the purpose of accomplishing certain development and operations as set forth in further detail in the DDA. In November 2000, the Redevelopment Agency and the Developer entered into a purchase and sale agreement (the "Purchase and Sale Agreement") under which the Redevelopment Agency agreed to convey certain land (the "Site"), upon which the Redevelopment Agency would construct a sign which would advertise and promote the business activities of the Developer (the "Sign"). The Developer agreed to grant an easement over a portion over Developer's property for the purpose of having the Redevelopment Agency construct and thereafter maintain the Sign. The Sign has been used primarily for the advertising of the business conducted by the Developer, namely, operation of a Chevrolet dealership. The easement is provided under an instrument entitled "Sign Easement Grant", which was dated as of January 18, 2001 and recorded among the "Official Records" (as defined below) on March 22, 2001 as document number 20010165324 (herein, the "Easement Agreement").

B. Under the terms of the Easement Agreement, the Redevelopment Agency was obligated to construct a Sign and thereafter maintain the Sign. The Redevelopment Agency also agreed to indemnify the Developer in connection with access of the easement area or damages which might arise in connection with the activities of the Redevelopment Agency under the Easement Agreement. The Easement Agreement does not provide for any payments to be made by Developer to Redevelopment Agency and no payments were made to the Redevelopment Agency under the Easement Agreement from its inception until the dissolution of the Redevelopment Agency. The Redevelopment Agency did have an ongoing obligation to maintain the sign.

C. Upon dissolution of the Redevelopment Agency (along with all other redevelopment agencies in the State of California) by virtue of Assembly Bill x 1 26 as chaptered and effective on June 27, 2011, all rights and obligations of the Redevelopment Agency under the Easement Agreement passed by operation of law to the Successor Agency.

D. Simpson has acquired all rights and obligations of the Developer.

E. No revenues have been generated to Redevelopment Agency or Successor Agency in connection with the Sign and it is not anticipated that any such revenues would be forthcoming. The Sign is in need of repair or replacement.

F. Simpson is of the view that Simpson can more efficiently repair, maintain, replace as necessary and operate the Sign without participation by Successor Agency. The parties have mutually

determined that the ongoing participation by Successor Agency as to the Sign under the Easement Agreement has outlived its usefulness and does not advance the interests of the Successor Agency or taxing agencies.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

1.1 **Defined Terms.** Capitalized terms shall have the meanings set forth in this Easement Termination Agreement shall have the following meanings:

“City” means the City of Garden Grove, a municipal corporation.

“County” means the County of Orange.

“Director” means the Executive Director of the Successor Agency or his or her designee.

“Official Records” means the official land records of the County Recorder of the County.

“Other Agreements” means the DDA, including without limitations the attachments thereto, and such other agreements as were entered into between (i) the Developer, on the one hand, and (ii) the Redevelopment Agency or the City on the other hand.

“Quitclaim” means a quitclaim by Successor Agency of the Sign Easement substantially in the form of Exhibit “A” hereto.

“Agreement Date”, as defined in the first paragraph above, means March 22, 2016.

1.2 **Simpson’s Representations and Warranties.** Simpson represents and warrants to each of the Successor Agency and the City as follows:

(a) **Authority.** Simpson is a duly organized corporation organized within and in good standing under the laws of the State of Delaware and authorized to transact business in the State of California. Simpson has full right, power and lawful authority to enter into this Easement Termination Agreement and to terminate the Easement Agreement and perform all duties of Simpson hereunder. The parties who have executed this Easement Termination Agreement on behalf of Simpson are authorized to bind Simpson by their signatures hereto.

(b) **No Conflict.** Simpson’s execution, delivery, and performance of its obligations under this Easement Termination Agreement will not constitute a default or a breach under any contract, agreement or order to which Simpson is a party or by which it is bound.

(c) **No Simpson Bankruptcy.** Simpson is not the subject of a bankruptcy proceeding.

(d) **Due Authorization and Execution.** Simpson has duly authorized the execution of this Easement Termination Agreement and all attachments hereto.

## 2. REMOVAL OF SIGN; TERMINATION OF EASEMENT AGREEMENT; RIGHTS

## OF SUCCESSOR AGENCY AS SUCCESSOR TO THE REDEVELOPMENT AGENCY

**2.1 Removal of Sign.** Simpson shall remove, or shall cause to be removed, at its cost, the Sign. The removal of the Sign shall be accomplished within ninety (90) days of the Agreement Date. Simpson shall arrange for a contractor to remove the Sign, and shall further be responsible to obtain and pay for any permits in connection with the removal of the Sign, as well as in connection with the construction, installation or operation of any new signage at the Site. No financial assistance shall be provided by the Successor Agency or any other public agency in connection with the removal of the Sign or the installation of any other signage at the Site. Simpson shall obtain any required permits in connection with the installation or display of any signage at the Site.

**2.2 Indemnity.** Simpson hereby exonerates, releases, indemnifies and holds harmless each of Successor Agency and City from any claims, suits, damages or losses arising from or related to the Easement Termination Agreement, the Easement Agreement or the Sign. In addition, Simpson shall defend (by counsel satisfactory to the Director), indemnify and save and hold harmless Successor Agency, City and their respective officers, contractors, agents and employees (collectively, the "Indemnitees") from and against all claims, damages, demands, actions, losses, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) arising from or relating to: (i) the removal of the Sign; (ii) the installation or display of any signage at the Site; (iii) the quitclaim of any right, title or interest of Successor Agency resulting from the Easement Agreement by Successor Agency to Simpson; or (iv) any claim, loss, or litigation arising from the elimination of any rights of display of any third parties as to the Sign. Simpson's obligations under this Section 2.2 shall survive the removal of the Sign and shall remain in effect until the fifth (5<sup>th</sup>) anniversary of such removal. This Section 2.2 does not amend or alter any obligations of Simpson or the Developer under Other Agreements.

**2.3 Termination of Easement Agreement.** Successor Agency will execute and record the Quitclaim in the official land records of the County Recorder of the County. Upon recording of the Quitclaim or by mutual written agreement executed by Simpson and the Director not earlier than thirty (30) days after the Agreement Date, the Easement Agreement shall be deemed to be terminated.

### 3. DEFAULTS, REMEDIES, AND TERMINATION.

**3.1 Default Remedies.** Failure by a party to perform any action or covenant required by this Easement Termination Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" or "Event of Default" hereunder. A party claiming a Default shall give written notice of Default to the other party specifying the Default. Except as otherwise expressly provided herein, the claimant shall not institute any proceedings against any other party, and the other parties shall not be in Default if such party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy the specified Default and shall complete such cure, correction or remedy with diligence. Notwithstanding any provision of this Easement Termination Agreement to contrary effect, in no event shall the Successor Agency be liable in damages for failure to perform hereunder. Specific Performance shall be available to enforce the provisions of this Easement Termination Agreement to the greatest extent legally allowable.

**3.2 Institution of Legal Actions.** A party may institute an action at law or equity to seek specific performance of the terms of this Easement Termination Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with

the purpose of this Easement Termination Agreement; provided that damages shall not be recoverable under any circumstances against the Successor Agency. Such legal actions must be instituted in the Superior Court of the County of Orange, State of California, or in the federal court for the Central District of California.

3.3 Non-Liability of Officials and Employees of City or Successor Agency. No member, official, officer or employee of the City or Successor Agency shall be personally liable to Simpson, or any successor in interest, in the event of any Default or breach by the Successor Agency or the City or for any amount which may become due to Simpson or its successors, or on any obligations under the terms of this Easement Termination Agreement.

#### 4. MISCELLANEOUS

4.1 No Third Parties Benefited Except for City. The City shall be deemed to be a third party beneficiary of this Easement Termination Agreement; excepting for the City, there shall be no third party beneficiaries of this Easement Termination Agreement.

4.2 Successor Agency Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Successor Agency, the Director is authorized to act on behalf of the Successor Agency unless specifically provided otherwise or the law otherwise requires.

4.3 Binding Effect. This Easement Termination Agreement shall bind, and shall inure to the benefit of, Simpson and the Successor Agency and their respective successors and assigns.

4.4 Counterparts. This Easement Agreement may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

4.5 Governing Law. This Easement Termination Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Simpson irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County or the United States District Court of the Central District of California, as City may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Easement Termination Agreement. Assuming proper service of process, Simpson also waives any objection regarding personal or in rem jurisdiction or venue.

4.6 Headings; Interpretation. Article and section headings are included in this Easement Termination Agreement for convenience of reference only and shall not be used in construing this Easement Termination Agreement.

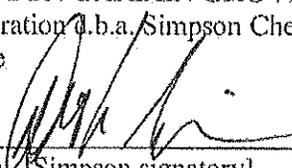
4.7 Exhibit Incorporated. Exhibit "A" to this Easement Termination Agreement is incorporated herein by this reference.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Easement Termination Agreement to be executed on the dates hereinafter respectively set forth.

**SIMPSON:**

**SIMPSON GARDEN GROVE, INC.** a Delaware corporation d.b.a. Simpson Chevrolet of Garden Grove

By:   
Name: [Simpson signatory] DAVID A. SIMPSON  
Title: [PRESIDENT]

**SUCCESSOR AGENCY:**

**SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**

By: \_\_\_\_\_  
Scott Stiles, Executive Director