



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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October 11, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors/Commissioners

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-D October 11, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH AMCAL MULTI-HOUSING TWO, LLC, FOR THE POTENTIAL DEVELOPMENT OF 1600, 1610, AND 1616 E. FLORENCE AVENUE IN UNINCORPORATED FLORENCE-FIRESTONE (SECOND DISTRICT)
(3 VOTES)**

SUBJECT

This letter recommends approval of an Agreement to Negotiate Exclusively, presented in substantially final form, among the County of Los Angeles, the Community Development Commission of the County of Los Angeles and AMCAL Multi-Housing Two, LLC, a California limited liability corporation, to negotiate the potential development of a mixed-use project that would include a new public library and senior affordable housing at the properties located at 1600, 1610, and 1616 E. Florence Avenue in unincorporated Florence-Firestone.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Chief Executive Officer, or her designee, to negotiate, execute, and if necessary, amend or terminate an Agreement to Negotiate Exclusively, presented in substantially final form, among the County of Los Angeles, the Community Development Commission of the County of Los Angeles, and AMCAL Multi-Housing Two, LLC, for the negotiation of potential

development of the properties located at 1600, 1610 and 1616 E. Florence Avenue in unincorporated Florence-Firestone.

2. Authorize the Chief Executive Officer, or her designee, to enter into a period of negotiation for eighteen (18) calendar months and any necessary extensions for a total negotiating period not to exceed thirty-six (36) months.

3. Find that approval of these actions, as described herein, is not subject to the provisions of the California Environmental Quality Act because the actions do not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment.

IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Approve and authorize the Executive Director, or his designee, to negotiate, execute, and if necessary, amend or terminate an Agreement to Negotiate Exclusively, presented in substantially final form, among the County of Los Angeles, the Community Development Commission and AMCAL Multi-Housing Two, LLC, for the negotiation of potential development of the properties located at 1600, 1610 and 1616 E. Florence Avenue in unincorporated Florence Firestone.

2. Authorize the Executive Director, or his designee, to enter into a period of negotiation for eighteen (18) calendar months and any necessary extensions for a total negotiating period not to exceed thirty-six (36) months.

3. Find that approval of these actions, as described herein, is not subject to the provisions of the California Environmental Quality Act because the actions do not commit the Community Development Commission to a project and will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to authorize the execution of the Agreement to Negotiate Exclusively (ANE), presented in substantially final form, among the County of Los Angeles (County), the Community Development Commission of the County of Los Angeles (Commission) and AMCAL Multi-Housing Two, LLC (AMCAL) to allow for the negotiation of necessary agreements for the potential development of the properties located at 1600, 1610, and 1616 E. Florence Avenue in unincorporated Florence-Firestone (collectively, Property).

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund as a result of the actions contemplated in this letter. If negotiations with AMCAL are successful, the County and the Commission will return to your Board with negotiated agreements for review and approval and will provide fiscal impact/financing analysis at that time.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County and the Commission are interested in entering into an ANE with AMCAL to determine if the parties can reach agreement on terms to develop the Property with affordable housing and library uses. The Property is located in a community in great need of affordable housing and is within a short distance of public transit, thus making it an ideal site for this purpose. The existing Library is outdated and undersized to meet the current needs of the community, so the County is interested in developing a new library. The parcel located at 1610 E. Florence Avenue is owned by the County and currently contains a County-operated public library. The Commission owns the parcel located at 1616 E. Florence Avenue, which contains a parking facility that accommodates the existing library. AMCAL is in the process of acquiring the immediately-adjacent parcel located at 1600 E. Florence Avenue, which currently contains retail use. The County and the Commission now request authorization to execute the ANE with AMCAL, under their respective authority set forth at Government Code Section 25539.4 and Health and Safety Code section 34143. If negotiations with AMCAL are successful, the County and the Commission will return to your Board with negotiated agreements for review and approval.

ENVIRONMENTAL DOCUMENTATION

The action is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project pursuant to Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment. The County and the Commission are only seeking authority to negotiate potential agreements under the ANE. No commitment to any project is being made at this time. CEQA review requirements must be completed before any commitment to a project occurs.

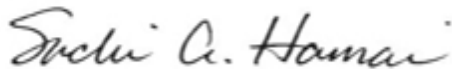
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed actions will allow the County and the Commission to explore whether they can increase affordable housing, library and supportive services for low-income households within the unincorporated area of Florence-Firestone, which follows the recommendations presented and approved in the Board Motion dated May 24, 2016.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing. Additionally, please forward one adopted, stamped copy of the Board letter to the Community Development Commission, 700 West Main Street, Alhambra, CA 91801.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer



SEAN ROGAN

Executive Director

SAH:SR:DPH

CMM:ls

Enclosures

c: Executive Office, Board of Supervisor
County Counsel
Community Development Commission

**FLORENCE/FIRESTONE
AFFORDABLE HOUSING AND COUNTY LIBRARY
DEVELOPMENT**

AGREEMENT TO NEGOTIATE EXCLUSIVELY

by and among

THE COUNTY OF LOS ANGELES

and

**THE COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES**

And

AMCAL MULTI-HOUSING TWO, LLC
a California limited liability company

**FLORENCE/FIRESTONE
AFFORDABLE HOUSING AND COUNTY LIBRARY DEVELOPMENT**

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (this “**Agreement**”) is effective this _____ day of _____, 2016 (the “**Effective Date**”), by and among the County of Los Angeles, a public body, corporate and politic (“**County**”), the Community Development Commission of the County of Los Angeles a public agency activated pursuant to Part 1.7 of Division of the Health and Safety Code (“**Commission**”), and AMCAL Multi-Housing Two, LLC, a California limited liability company (“**Developer**”), on the terms and conditions set forth below. County, Commissions and Developer are sometimes referred to collectively herein as the “**Parties**” and individually as a “**Party**.”

RECITALS

- A. County owns real property located at 1610 E. Florence Avenue, Los Angeles, CA 90001 in the unincorporated Florence-Firestone area of County, which is improved with a County library (the “**Existing Library**”).
- B. The Commission owns real property located at 1616 E. Florence Avenue, Los Angeles, CA 90001, in the unincorporated Florence-Firestone area of County, which consists of a paved parking lot (“**Commission Property**”). The County Property and Commission Property are depicted on Exhibit A.”
- C. Developer has an option to purchase the property located at 1600 E. Florence Avenue, Los Angeles, CA 90001 in the unincorporated Florence-Firestone area of County, as depicted on Exhibit B (the “**Developer Property**”).
- D. The County Property is bounded by Florence Avenue on the north, Maie Avenue on the east, residential properties on the south, and the Developer Property on the west. The Developer Property is bounded by Florence Avenue on the north, the County Property and Commission Property on the east, residential properties on the south, and Miramontes Boulevard on the west. Collectively, the County Property, Commission Property and the Developer Property run street to street from Miramontes Boulevard to Maie Avenue and are sometimes referred to collectively as the “**Properties**.”
- E. Developer desires to develop and operate senior, affordable rental housing units (the “**Affordable Housing**”) on the Properties. In furtherance of Developer’s desire to construct the Affordable Housing on both the Developer Property, County Property, and Commission Property, Developer desires to demolish the Existing Library and to construct a new library including the library parking garage (collectively, the “**New Library**”), which will be integrated within the Affordable Housing and parking on the Properties. The Affordable Housing and the New Library are sometimes referred to collectively as the “**Project**.”

- F. Developer has provided County and Commission a proposal to develop the Project. In order to provide a large enough parcel that runs street to street and is capable of supporting the Project, the Developer Property is essential. A preliminary design concept plan for the Project is attached as Exhibit C.
- G. County, Commission and Developer desire to explore the possibility of having Developer develop and construct both the Affordable Housing and the New Library on the Properties and operate the Affordable Housing in order to further County and Commission's goals of: (i) creating affordable senior housing; (ii) enhancing the land use and economic development goals of surrounding communities; and (iii) enhancing and enriching the surrounding communities by replacing the Existing Library which is outdated and undersized to meet the current needs of the community with the New Library.
- H. On _____, 2016, County's Board of Supervisors (the "**County Board**") and the Commission's Board of Commissioners (the "**Commission Board**") authorized execution of this Agreement with Developer, for the purpose of (i) analyzing the potential development of the Project on the Properties and (ii) negotiating the potential terms and conditions of a potential joint development agreement for the Project (the "**JDA**"). The JDA would include the form of the Ground Lease, the Facilities Lease, a reciprocal easement agreement (the "**REA**"), and any other associated agreement. The Facilities Lease would include the process for the design, construction and outfitting of the "New Library." The contemplated development of the Project and execution of the JDA, Ground Lease, the Facilities Lease, the REA, and any other associated agreement are collectively referred to as the "**Transaction**."
- I. It is anticipated that the County would be the Lead Agency under the California Environmental Quality Act ("**CEQA**") in connection with the consideration and analysis of the environmental impacts of the development of the potential Project. This Agreement does not constitute or evidence an approval by County of, or commitment of County to, any action for which prior environmental review is required under CEQA. County retains the absolute sole discretion to make decisions under CEQA with respect to the Project, which discretion includes (i) deciding not to proceed with development of the Project, (ii) deciding to proceed with development of the Project, and (iii) deciding to proceed with any alternative development of any portion of the Properties (the "**Potential County Actions**"). There shall be no approval or commitment by County regarding the Transaction or any alternative development of any portion of the Properties, unless and until County, as a Lead Agency, considers the environmental impacts of the Project.

Now, therefore, in consideration of the foregoing Recitals, which are hereby deemed a contractual part hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Agreement to Negotiate Exclusively: Good Faith Negotiations

- A. Exclusive Negotiation. During the Term (defined in Section 2A), so long as Developer is negotiating in good faith and is not otherwise in default of its obligations under this Agreement, County and Commission will not solicit offers or proposals from other parties concerning potential development of the County and Commission Properties. The Parties will negotiate exclusively and in good faith in accordance with this Agreement regarding the negotiations and drafting of the JDA, the Ground Lease, the Facilities Lease, the REA, and associated agreements. Notwithstanding the foregoing, County and Commission may, from time to time, be contacted by other developers regarding the County and Commission Property or the Properties and that such contact is expressly permitted so long as County does not initiate the contact and indicates to such developers that County and Commission have executed this Agreement and that County and Commission are prohibited from: (i) discussing anything concerning these negotiations with such developers; (ii) considering any offer or proposal from such other developers; or (iii) negotiating with any such developers, until this Agreement expires or is terminated pursuant to its terms.
- B. Essential Terms. The Parties acknowledge and agree that this Agreement does not establish all the essential terms of the Transaction and that although they have set forth herein a framework for negotiation of the essential terms of the Transaction: (i) they have not set forth herein nor agreed upon many of the essential terms of the Transaction, including, among other things, the price or terms of and timing of any joint development; (ii) they do not intend this Agreement to be a statement of the essential terms of the Transaction; and (iii) the essential terms of the Transaction, if agreed to by the Parties, shall be set forth, if at all, in documentation and agreements negotiated, approved and executed by duly authorized representatives of each of the Parties after any and all applicable requirements of CEQA have been completed and determinations/findings made by the County as the Lead Agency.

2. Duration of this Agreement

- A. Term. This Agreement shall commence on the Effective Date and shall terminate eighteen (18) calendar months thereafter (the “**Term**”). Notwithstanding the foregoing, if (i) the Parties have not executed and delivered the JDA within such period and (ii) substantial progress has been made toward fulfillment of the requirements of this Agreement, the Parties may determine, in each Party’s sole and absolute discretion, to extend the Term; provided, however, (1) in no event may the total Term, including any extension(s) thereof, exceed thirty-six (36) months and (2)

the Term may be extended only by written amendment to this Agreement executed by authorized representative(s) of the Parties and no other act or failure to act by County, Commission or any of its representative(s) shall result in an extension of the Term.

- B. Execution. No agreement or documentation that may hereafter be negotiated between the Parties with respect to the Transaction shall become final and binding unless and until: (i) County and Developer have complied with all applicable requirements of CEQA pertaining to the Transaction; (ii) such documentation is approved by the County and Commission Board; and (iii) such documentation is executed by the authorized representatives of each of the Parties.
- C. Approval of the Potential County Actions. Prior to the satisfaction of the terms set forth in Section 2B, no: (i) negotiation or preparation of any joint development or purchase documentation (including the JDA, Ground Lease, Facilities Lease, and REA), including without limitation, any specific terms and provisions or any form of document; (ii) review or approval by County of various stages of proposed plans and specifications for the Project; nor (iii) cooperation or participation by County in development applications or submittals for the Project (including, County's execution of any such applications or submittals), shall constitute County's approval of the Project or the Transaction or a commitment to take any of the Potential County Actions.

3. Agreements to be Negotiated.

- A. JDA, Ground Lease, Facilities Lease, and REA. County and Developer shall work in good faith to negotiate and jointly prepare the JDA, the Ground Lease, Facilities Lease, and the REA.
- B. The JDA shall include, without limitation, provisions relating to the design and development of the Project, a schedule of performance, the Parties' obligations during the term of the JDA, the transfer of the Developer Property to County, the transfer of the Affordable Housing Parcel to Developer, and the consummation of the Ground Lease, the Facilities Lease, and the REA. The Ground Lease and Facilities Lease shall include, among other things, provisions relating to the term, rent, New Library construction, design, furniture, fixtures, and equipment, Project operation, and transfers and assignments, encumbrances.
- C. The REA shall include, among other things, provisions relating to access to and from the Affordable Housing Parcel and the New Library and expenses for the maintenance of common areas
- D. Other Agreements. If the Transaction will involve other agreements, such licenses and/or dedications, affordable housing covenants, each of those

agreements shall be addressed in the JDA and negotiated in accordance with applicable County policies and procedures and the County Board authority.

4. County Responsibilities.

- A. Exclusive Negotiations. So long as Developer is negotiating in good faith and is not otherwise in default of its obligations under this Agreement, County and Commission shall negotiate exclusively and in good faith with Developer, as set forth in Section 1A.
- B. Schedule of Performance. County and Commission shall endeavor to meet the milestones required of County and Commission, as set forth in the schedule of performance attached hereto as Exhibit D, which schedule may be modified during the Term as agreed between the Parties (the “**Schedule of Performance**”).
- C. Funding. County and Commission have not agreed to fund, subsidize or otherwise financially contribute in any manner toward the acquisition of the Developer Property and/or the development of the Project.
- D. County and Commission Discretion. County and Commission are not approving, committing to, or agreeing to undertake: (i) the Project or any development; (ii) disposition, sale or lease of land to Developer; or (iii) any other acts or activities requiring the subsequent independent exercise of discretion by County and Commission.
- E. Other Covenants. County and Commission shall perform such other covenants and obligations required of County as explicitly set forth in this Agreement.

5. Developer’s Responsibilities.

Without limiting any other provision of this Agreement, during the Term, Developer, at its sole cost and expense, shall prepare and submit the following information and documents and perform the following acts, all in furtherance of the negotiation process:

- A. Project Information. County, Commission, and all agencies having regulatory jurisdiction over the Project, will require planning and design approval for the Project. Developer shall meet with representatives of County and Commission to review and come to a clear understanding of the planning and design requirements of County, Commission and other agencies for the Project.
- B. Schedule of Performance. Developer shall meet the milestones required of Developer, as set forth in the Schedule of Performance.

- C. Notice of Governmental Meetings. Developer shall provide at least two (2) weeks' prior written notice to County and Commission of any substantive meetings with governmental officials (including staff) relating to the Project and allow County and Commission to attend such meetings, at County and Commission's sole discretion. Developer shall keep County and Commission fully informed during the Term regarding all substantive matters and meetings affecting the Project.
- D. Environmental Documents and Entitlements. So long as the Parties are working in good faith and have made meaningful progress in negotiating and preparing the Transaction Documents, Developer shall endeavor to obtain all necessary entitlements for the Project as well as arrange for all required CEQA review by County and any Responsible Agency to take place during the Term. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and any necessary entitlements. County will be the Lead Agency in connection with any required environmental reviews or determinations required by CEQA.
- E. Further Information. County and Commission reserve the right, at any time, to request from Developer, and Developer shall provide in a timely manner, additional or updated non-legally privileged information about Developer or the Project as requested by County and Commission.
- F. Design Review Process. Developer shall engage and coordinate with County and Commission on the design of the Project, and the design shall be subject to County's review and approval as set forth in the JDA, the Ground Lease and the Facilities Lease. Developer shall provide at least two (2) weeks' prior written notice to County of all design meetings and a three (3) week review period for each design submittal.
- G. Other Covenants. Developer shall perform such other covenants and obligations required of Developer as explicitly set forth in this Agreement.

6. Inspections.

During the Term, Developer may conduct such inspections, tests, surveys, and other analyses ("**Inspections**") as Developer, Commission and County deem reasonably necessary to determine the condition of the Properties or the feasibility of designing, developing, constructing, leasing and financing the Project and shall complete such Inspections as promptly as reasonably possible within the Term. Any entry onto the County Property and Commission Property by Developer or its employees, agents, contractors, successors and assigns, shall be in accordance with a Right of Entry agreement ("**ROE**"), in the form attached hereto as Exhibit E. Pursuant to the ROE, Developer shall coordinate and schedule the time(s) of its entry on to the County Property and Commission

to meet County and Commission requirements. Developer's and its contractors' access to the County and Commission Properties shall not interfere, conflict with or impair any other operations or activities on the County and Commission Properties, as set forth in the ROE.

7. Plans, Reports, Studies, and Entitlements.

- A. County and Commission Information. County and Commission, in their reasonable discretion, may make available to Developer, upon Developer's written request, existing information and plans regarding County and Commission's existing improvements on the County and Commission Properties held by County and Commission and needed for the development of the Project.
- B. Provision of Development Documents. All plans and any reports, investigations, studies (including reports relating to the soil, geotechnical, subsurface, environmental, and groundwater conditions of the Properties, entitlement applications, CEQA-related and other environmental documents, and reports filed in connection therewith) with respect to the Properties, Project and Developer's intended use of the Properties (collectively, the "**Development Documents**") shall be prepared at Developer's sole cost and expense. Developer shall timely provide County and Commission, without representation as to warranty, subject to the confidentiality provisions in Section 18, without cost or expense to County and Commission, copies of all final non-legally privileged Development Documents prepared by or on behalf of Developer. Developer shall include in its contractors' and consultants' contracts the right to assign the Development Documents to County and Commission.
- C. Entitlements. County, as the owner of the County Property and Commission, as owner of the Commission Property, and as market participants in this Agreement shall cooperate with Developer in Developer's attempt to procure the necessary entitlements for the Project, provided (i) such entitlements and any related applications, submittals, and/or covenants do not encumber County and Commission's fee interest in the County Property and Commission Property or place obligations on County and Commission; and (ii) Developer timely provides County and Commission with copies of all proposed and final filings, submittals and correspondence relating to any entitlement applications. Should Developer abandon an entitlement application, County and Commission shall have the right to take over such application and Developer shall cooperate with County and Commission to complete any such entitlement process started by Developer provided that County shall indemnify, or defend and hold Developer harmless from any future actions of the County or any of its successors and assigns in connection therewith with such usage of the application or Developer's cooperation. If the Project is not built, Developer shall cooperate with County and Commission to seek

removal of any entitlement obtained by Developer for the County Property and Commission Property, which County and Commission desire to be removed. Developer acknowledges and agrees that nothing in this Agreement constitutes a waiver of County or Commission's regulatory or police powers with respect to the Transaction or the Project, and that County or Commission's regulatory review and regulation of the Project, the desired entitlements and the construction and operation of the Project shall not be subject to any terms or conditions set forth in this Agreement. The obligations contained in this Section 7C shall survive termination, expiration or revocation of this Agreement.

8. Indemnity and Insurance.

- A. Indemnity. Developer shall indemnify, defend (with counsel reasonably approved by County) and hold harmless County, Commission, and their representatives, employees, officials, directors, attorneys, consultants, successors, and assigns (collectively, the “**Indemnitees**”) from any liability, claims, losses, costs, expenses, or damages (including, without limitation, reasonable attorneys’ fees and costs) (collectively, “**Claims**”), in any way arising out of acts or omissions related to the following, and without requirement that County first pay such Claims: (i) damage to property or bodily injury or death of any person caused by Developer, its agents, employees, or contractors; (ii) any entry upon the County Property by Developer, its agents, employees, or contractors; (iii) any Inspection made by Developer, its agents, employees, or contractors; or (iv) the planning and preparation of, or challenge to any report or Development Documents (including the cost of such reports or Development Documents), except to the extent such Claims arise solely from the gross negligence or willful misconduct of any Indemnatee. The obligations contained in this Section 8A shall survive the termination, expiration or revocation of this Agreement.
- B. Insurance. Prior to Developer’s or its employees’, contractors’ or consultants’ entry onto the County Property and Commission Property, Developer shall provide County and Commission with evidence of insurance in the form and subject to the requirements set forth in the ROE.

9. Failure to Reach Agreement.

This Agreement is an agreement to enter into exclusive negotiations with respect to the Transaction. Each Party expressly reserves the right to decline to enter into any other agreement, if the Parties working in good faith fail to agree to terms satisfactory to both Parties with respect to the Transaction. Except as expressly provided in this Agreement, neither Party shall have any obligation, duty or liability hereunder in the event the Parties fail to timely agree upon and execute the JDA, the Ground Lease, the Facilities Lease, the REA, or any other agreement. If the Parties have not executed the JDA prior to the expiration or

termination of this Agreement, then upon expiration or termination of this Agreement, any rights or interest that Developer may have under this Agreement shall cease without requiring any notice from County and Commission, and County and Commission shall have the right thereafter to use, develop (alone or with any other entity) or dispose of the County Property and Commission Property as County and Commission shall determine appropriate in its sole and absolute discretion.

10. Termination, Default and Remedies.

- A. Right to Terminate. In addition to any other right of termination set forth in this Agreement, either Party may terminate this Agreement upon thirty (30) days prior written notice to the other Party, if such terminating Party in good faith determines any of the following: (i) a successful consummation of the Transaction is not likely, (ii) the Project is not feasible, (iii) the Project is not capable of being financed in a commercially reasonable manner, or (iv) the Project is not likely to be developed and constructed in a timely manner.
- B. Breach. The occurrence of any one or more of the following events shall constitute a breach under this Agreement (each a “**Breach**”):
 - i. The failure of a Party to perform any obligation, or to comply with any covenant, restriction, term, or condition of this Agreement;
 - ii. The failure of a Party to meet the milestones set forth in the Schedule of Performance; or
 - iii. Any material representation or warranty made by a Party proves to be false or misleading in any material respect at the time made.
- C. Default. A Breach shall become a default under this Agreement (each a “**Default**”) if the Party committing the Breach fails to cure the Breach within the following time periods:
 - i. For all monetary Breaches, five (5) Business Days after the receipt as written notice of monetary breach;
 - ii. For all non-monetary Breaches, twenty (20) Business Days after receipt of written notice (“**Cure Notice**”) thereof from the aggrieved Party specifying such non-monetary Breach in reasonable detail, delivered in accordance with the provisions of this Agreement, where such non-monetary Breach could reasonably be cured within such twenty (20) Business Day period; or
 - iii. Where such non-monetary Breach could not reasonably be cured within such twenty (20) Business Day period, such reasonable additional time as is necessary to promptly and diligently complete

the cure but in no event longer than forty (40) Business Days (“**Outside Date**”); provided that the breaching Party promptly commences to cure such non-monetary Breach after receiving the Cure Notice and thereafter diligently and continuously pursues completion of such cure.

- D. Unavoidable Delay. If a non-monetary Breach is due to an Unavoidable Delay, then the Party claiming the delay shall have the right to extend the Outside Date by a period equal to the duration of the Unavoidable Delay by written notice to the other Party. The duration of the Unavoidable Delay shall be deemed to commence only after written notice of such Unavoidable Delay is delivered to the other Party, provided that if written notice of such Unavoidable Delay is given within five (5) Business Days after the commencement of the delay, then the date of the commencement of the Unavoidable Delay shall be retroactive to the actual commencement date of the delay. A written notice of Unavoidable Delay must reasonably specify: (i) the nature of the delay; (ii) the date the delay commenced and (if not ongoing) ended; and (iii) the reason(s) such delay is an Unavoidable Delay. Upon the documentation of an Unavoidable Delay pursuant to this Section 10D, the Outside Date shall be delayed by the period of the Unavoidable Delay; provided, however, under no circumstances may the Outside Date be extended by more than a total of forty (40) Business Days as a result of Unavoidable Delay without the written consent of both Developer and County.
- E. Remedies. If any Default occurs, the non-defaulting Party shall have the right, but not the obligation, to avail itself of any one or more of the following remedies:
- i. The non-defaulting Party may, at its sole election, terminate this Agreement upon not less than five (5) days prior written notice of termination provided to the defaulting Party.
 - ii. Unless otherwise provided herein, in addition to the foregoing, the non-defaulting Party may exercise any right or remedy it has under this Agreement, or which is otherwise available at law or in equity or by statute. All rights, privileges and elections or remedies of the Parties are cumulative and not alternative to the extent permitted by law (including suit for damages) or in equity.
- F. Upon Termination of Agreement. Upon termination of this Agreement: (1) any rights or interest that Developer may have hereunder shall cease and County and Commission shall have the right thereafter to use, develop (alone or with any other entity) or dispose of the County Property and Commission Property as it shall determine appropriate in its sole and absolute discretion; and (2) any rights or interest that County or Commission may have hereunder shall cease and Developer shall have

the right to use, develop (alone or with any other entity) or dispose of the Developer Property as itself determines appropriate in its sole and absolute discretion. In any event, the Development Documents shall become the property of County and Commission.

11. Entire Agreement.

This Agreement herein, and may not be amended except in writing signed by both Parties.

12. Covenant Against Discrimination.

Developer shall not discriminate against, nor segregate, in employment or the development, construction, sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of all or portions of the Properties, nor deny the benefits of or exclude from participation in, the Project and all activities of Developer in connection with the Properties, any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, sex, sexual preference/orientation, marital status, age, disability, medical condition, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, or retaliation for having filed a discrimination complaint.

13. Confidentiality.

A. Proprietary Documents. The Parties anticipate that during the Term each shall from time to time disclose and provide to the other certain proprietary reports, correspondence and other information related to the Project. Unless otherwise required by law, no Party shall disclose (except to its own and to the other Party's employees, officers, directors, agents, advisors, existing and prospective lenders, investors, counsel, and consultants) information regarding or related to the Project which is not already public and which has been delivered to such Party pursuant to the terms hereof.

B. Public Disclosure. Notwithstanding the foregoing Section 13A, Developer acknowledges and agrees that County and Commission, as government agencies, (i) is subject to broad disclosure obligations under applicable law, including the Public Records Act, and (ii) holds County Board and Commission Board meetings which are open to the public and at which information concerning the Project may be disclosed including reports to the County Board and Commission Board describing the Project, and including any documents to be approved by the County and Commission Board. Nothing in this Agreement shall prohibit any disclosure required by law.

14. Compliance with Laws.

During the Term, Developer, at its expense, shall comply with all applicable federal, state and local laws, ordinances, regulations, rules and orders with respect to the subject matter of this Agreement.

15. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the Parties and their respective permitted successors and assigns.

16. Notices.

All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service) or (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the appropriate addressee and shall be deemed received and effective on the day such notice is actually received if received before 5:00 p.m. on a regular business day, or on the following business day if received at any other time. All addresses of the Parties for receipt of any notice to be given pursuant to this Project are as follows:

- A. To the County:
- Chief Executive Officer
Attn: Sachi A. Hamai
Kenneth Hahn Hall of Administration, Room
754
500 West Temple Street
Los Angeles, CA 90012
- County of Los Angeles Public Library
Attn: Skye Patrick, County Librarian
7400 East Imperial Highway
Downey, CA 90242
- B. To the Commission:
- Community Development Commission of the
County of Los Angeles
Attn: Corde Carrillo, Director
Economic and Housing Development Division
700 West Main Street
Alhambra, CA 91801
- C. With a copy to:

Office of the County Counsel
County of Los Angeles
500 West Temple St., 6th Floor
Los Angeles, CA 90012-2932
Attention: Behnaz Tashakorian/Jill Jones
Email: btashakorian@counsel.lacounty.gov/jjones@counsel.lacounty.gov

D. To the Developer: AMCAL Multi-Housing Two, LLC
Attention: Arjun Nagarkatti, President
30141 Agoura Road, Suite 100
Agoura Hills, CA 91301

E. With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. Fifth Street, 64th Floor
Los Angeles, CA 90071
Attention: Kyle B. Arndt
Email: karndt@bocarsly.com

17. Interpretation.

- A. Construction. This Agreement shall be construed in accordance with its fair meaning, and not strictly for or against either Party.
- B. Gender. When the context of this Agreement requires, (i) the neuter gender includes the masculine and feminine and any entity, and (ii) the singular includes the plural.
- C. Section Headings. The headings of the Sections of this Agreement are inserted solely for convenience of reference and are not intended to govern, limit or aid in the construction of any term or provision hereof. Unless otherwise explicitly provided, all references to "Sections" are respectively to articles or sections of this Agreement.
- D. Interpretation. The word "including" shall be construed as though the words "but not limited to" were, in each case, appended thereafter, and shall not be deemed to create a limitation to the list that follows "including."
- E. Incorporation of Recitals. The Recitals of this are incorporated herein by reference.
- F. Exhibits. All references in this Agreement to exhibits shall be construed as though the words "hereby made a part hereof and incorporated herein by this reference" were, in each case, appended thereto. In the event of a

conflict between this Agreement and any of the exhibits attached hereto, the terms of this Agreement shall govern.

- G. No Third-Party Beneficiaries. Except as expressly set forth in this Agreement, no parties other than the Parties and their successors and assigns, shall be a beneficiary of the rights conferred in this Agreement, and no other party shall be deemed a third-party beneficiary of such rights.
- H. Severability. If (i) any provision of this Agreement is held by a court of competent jurisdiction as to be invalid, void or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.
- I. No Partnership. Nothing in this Agreement shall be deemed or construed as creating a partnership, joint venture, or association between the Parties, or cause either Party to be responsible in any way for the debts or obligations of the other Party.
- J. No Assignment by Developer. The Parties acknowledge and agree that County has entered into this Agreement in reliance on Developer's unique abilities to develop the Project; consequently, Developer shall have no right to assign its rights or duties under this Agreement.
- K. Prevailing Party. In the event that either Party to this Agreement brings an action to enforce the terms of this Agreement or declare the Party's rights under this Agreement, each Party shall bear its own costs and expense, including attorneys' fees, regardless of prevailing Party.

18. Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by County regarding the sale, transfer, or development of all or any part of the County Property and Commission Property and does not constitute a commitment by Developer regarding the transfer or development of all or any part of Developer Property. Execution of this Agreement by County and Commission is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the County Board and Commission Board as to any JDA and all proceedings and decisions in connection therewith.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

COMMUNITY DEVELOPMENT COMMISSION

By: _____
Sean Rogan
Executive Director

Date

APPROVED AS TO FORM FOR THE COMMISSION:

Mary C. Wickham
County Counsel

By: _____
Behnaz Tashakorian
Senior Deputy County Counsel
County Counsel

Date

COUNTY OF LOS ANGELES

By: _____
Sachi A. Hamai
Chief Executive Officer

Date

APPROVED AS TO FORM FOR THE COUNTY:

Mary C. Wickham
County Counsel

By: _____
Jill Jones
Senior Deputy County Counsel
County Counsel

Date

DEVELOPER:

AMCAL MULTI-HOUSING TWO, LLC
a California limited liability company

Arjun Nagarkatti, President

EXHIBIT A

Depiction of County Property and Commission Property

EXHIBIT B

Depiction of Developer Property

EXHIBIT C

Preliminary Design Concept Plan

For the Project

EXHIBIT D

Schedule of Performance

Summary report: Litéra® Change-Pro TDC 7.5.0.179 Document comparison done on 9/12/2016 1:32:28 PM	
Style name: Standard Pleading	
Intelligent Table Comparison: Active	
Original DMS: iw://SM-DMS02/Legal/10085398/10	
Modified DMS: iw://SM-DMS02/Legal/10085398/11	
Changes:	
<u>Add</u>	15
Delete	17
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	32