

AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY
(1400 E. Spring Street / APN 7212-008-906)

This AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY ("**Agreement**") is made this _____ day of _____, 2019 ("**Agreement Date**") by and between the CITY OF SIGNAL HILL as the SUCCESSOR AGENCY TO THE SIGNAL HILL REDEVELOPMENT AGENCY, a public agency ("**Seller**" / "**Agency**") and the CITY OF SIGNAL HILL, a municipal corporation ("**Buyer**" / "**City**").

RECITALS

- A. Seller is the fee owner of that certain real property located at 1400 E. Spring Street, in the City of Signal Hill, Los Angeles County, California (APN No. 7212-008-906) ("**Property**"), and more particularly described on Exhibit A attached hereto and incorporated herein by this reference, which consists of approximately 3.15 gross acres.
- B. The Property was formerly used for the production of crude oil and natural gas, as part of a large oil field known as Texaco Exploration and Production, Inc. (TEPI) Oil Field Tract 32 (also known as the Long Beach Oil Field/Texaco Oil Tract 34). There remains one active oil well on the southerly portion of the Property and three previously abandoned oil wells on the Property. The remainder of the Property is paved and is used by Three D Holdings, LLC ("**Three D**"), an affiliate of Glenn E. Thomas Motors, Inc. ("**GET Motors**"), an automobile dealership owner and operator, for the storage of automobiles and overflow parking in connection with the existing Dodge/Chrysler/Jeep dealership operated by GET Motors located at 2100 E. Spring St., within the Signal Hill Auto Center, pursuant to a lease agreement with Three D, dated October 17, 2012, which expired on January 31, 2014, but Tenant has been holding over month to month since then.
- C. The Property was originally acquired by the Signal Hill Redevelopment Agency ("**SHRA**") in 1993. However, the California State Legislature's passage of ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011) in 2011 resulted in the outright dissolution of all 425 redevelopment agencies in the State of California, including the SHRA. Following the dissolution process, Seller became the successor in interest to the Property by operation of law. Subsequently, AB 1484 (Chapter 26, Statutes of 2012), was enacted on June 28, 2012, which made significant changes to the provisions of ABX1 26, including a process for asset management/disposition/transfers of properties formerly owned by redevelopment agencies, which include the requirement for the preparation and approval of a Long Range Property Management Plan by the Successor Agency and the California Department of Finance ("**DOF**").
- D. On February 20, 2015, Agency's Long Range Property Management Plan ("**LRPMP**") was approved by the DOF which plan included the sale of the Property by Agency for future development purposes consistent with the City's Auto Center Specific Plan (SP-4) (as amended from time to time, the "**Specific Plan**").
- E. The LRPMP provides that the Property is valued at a range between \$916,860 to \$1,316,860, based on an appraisal conducted by the Agency, offer prices previously received by the Agency for the sale of the Property, and the environmental remediation costs required in order to develop the Property. The midpoint of this range is \$1,116,860.

- F. Development of the Property has been uniquely constrained and complicated by a range of factors, including by virtue of the existence of active and abandoned oil wells and a groundwater monitoring well on-site. The previously abandoned oil wells and the groundwater monitoring well would need to be re-abandoned to current standards prior to development, which is estimated to cost between \$100,000 to \$500,000 as set forth in the LRPMP. Pursuant to the City's Ordinance No. 2013-07-1459, stringent standards would need to be followed concerning the development of buildings near, but not over previously abandoned oil wells. In addition, the Property is encumbered with a pipeline easement, a joint use area, and two exclusive oil well and pipeline areas, which reduce the net usable acreage of the Property to approximately 2.38 acres. Separately, Phase I and Phase II environmental studies have been conducted on the Property which indicated the presence of pyrene, total petroleum hydrocarbons gas (TPH-g), speciated carbon chains, and metals including arsenic are present in the soil. Based upon the findings of the Phase II, prior to the development of the Property a methane assessment and soil management plan would be needed. Collectively, these constraints and limitations are referred to herein as the "**Property Limitations**".
- G. The SHRA and the Agency have diligently engaged with various potential developers of the Property since 2007 for the development of an automobile dealership and/or related uses consistent with the Specific Plan, however, negotiations have not resulted in any definitive agreements. Most recently, the Agency and Three D proposed a Fiat, RAM Truck, Jeep, and then a Mazda dealership. The parties negotiated the terms for a Disposition and Development Agreement in the summer of 2017 for the development of a Mazda dealership, but the transaction between the parties was cancelled in July 2018 when Three D abandoned its proposed development plans, due in part to the Property Limitations. A stand-alone dealership for a property of this size appears infeasible and surplus storage seems the only feasible use currently.
- H. The City and Agency still intend to make the Property available for auto storage purposes consistent with the Specific Plan. The City has decided that since a stand-alone dealership is evidently not practicable, the Auto Center would still benefit from the availability of additional storage/parking areas. Such a plan could require some improvements on the Property without building major structures.
- I. This Agreement is intended to effectuate that authorized transfer of the Property in order to enable the City to retain long term ownership of the Property and enter into a ground lease of the Property for development consistent with the Specific Plan. Further, selling the Property to the Buyer will accomplish the goals of (i) winding-up the property-related affairs of the Agency, (ii) expediting the distribution of SHRA assets, or the value thereof, to local taxing entities, (iii) addressing the appropriate long-term uses for the Property consistent with the zoning and General Plan, and (iv) enabling the City to lease the Property to Honda for the expansion of the Honda dealership and further the goals of the City's Specific Plan. The City will covenant to use the Property only for automobile, truck and motorcycle sales and service facilities and approved accessory uses pursuant to the Specific Plan (the "**Approved Purposes**").
- J. Due to the Property Limitations which were not fully addressed in the LRPMP, the parties propose that the City will pay one-half of the purchase price value stated in the LRPMP, or \$558,430, and record a covenant against title that when the City sells the parcel, the proceeds will be paid to the applicable taxing entities pursuant to the redevelopment dissolution law, Health and Safety Code §34181(a)(1).

- K. Pursuant to Government Code Section 65402, on December 18, 2018, the acquisition of this property by the City was found by the Planning Commission to be consistent with the General Plan.
- L. Buyer and Seller intend to enter into this Agreement for the sale of the Property to Buyer pursuant to the terms of this Agreement and in accordance with the LRPMP and subject to certain restrictions on development.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties mutually agree as follows:

TERMS AND CONDITIONS

1. **Incorporation of Recitals.** The foregoing recitals are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement and incorporated herein.

2. **Purchase and Sale of Property.** Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer its right, title and interest in and to the Property pursuant to the terms of this Agreement.

3. **Purchase Price.** The purchase price for the Property is \$558,430 Dollars ("**Purchase Price**") with the condition that a covenant in the form attached as Exhibit C be recorded at Closing stating that on sale of the Property to any successor, all proceeds of such sale (less the Purchase Price) shall be paid forthwith pro rata to the applicable taxing entities at the time of such sale. The Purchase Price has been determined by the parties considering the conveyance is (i) AS-IS and subject to all existing environmental issues; (ii) subject to the Property Limitations; (vi) the lack of interest in the Property as noted in Recital G; and (vii) subject to the City's covenant that the Property will be used solely for the Approved Purposes. Buyer shall pay Seller the Purchase Price pursuant to Section 4.2(d).

4. **No Escrow; Closing; Title Policy; Costs.**

4.1 No Escrow. Given the governmental nature of the parties, no Escrow shall be required under this Agreement.

4.2 Closing. As soon as practical after the approval of this Agreement by the Oversight Board ("**OB Approval**"), but, in no event, later than sixty (60) days following the Agreement Date, the parties shall consummate this transaction ("**Closing**"). If the OB Approval is not issued, this Agreement shall terminate.

(a) Delivery of Grant Deed and Covenant. Within two (2) days of the OB Approval, Seller shall execute, acknowledge and deliver to the Title Company (as defined below) a grant deed conveying the Property to Buyer, in the form of Exhibit B attached hereto ("**Grant Deed**"), and the Covenant Agreement ("**Covenant Agreement**") in the form of Exhibit C attached hereto.

(b) Certificate of Acceptance; PCOR. Buyer shall deliver to the Title Company: (i) a Certificate of Acceptance in the form shown on Exhibit B to be delivered to be attached to the Grant Deed prior to recordation; and (ii) a Preliminary Change of Ownership statement in the form required by Los Angeles County.

(c) Recordation. The Title Company shall attach the Certificate of Acceptance to the Grant Deed and deliver it and the Covenant Agreement for recordation in the Official Records of Los Angeles County when it has confirmed that it will issue the Title Policy and the OB Approval has been issued.

(d) Payment of Purchase Price. Upon confirmation from the Title Company that the Grant Deed has been recorded and the Title Company has committed to issue the Title Policy (as defined below), Buyer shall promptly deliver the Purchase Price to Seller.

(e) Cooperation. Seller agrees to cooperate with Buyer in the event any additional documents are required to record the Grant Deed and to cause the Title Company to issue the Title Policy. Both parties shall deliver such funds and other items and instruments as may be necessary in order for Title Company to record the Grant Deed and/or to consummate the transaction contemplated herein.

4.3 Costs. Seller shall pay the premium for the Title Policy. Any costs related to the transfer and recordation of the Property shall be borne solely by the Buyer.

4.4 No Real Property Tax Proration; No Documentary Transfer Taxes. No proration of real property taxes shall be made as of Closing as both parties are exempt from real property taxes. No documentary transfer taxes shall be payable under Revenue and Taxation Code Section 11922.

4.5 Insurance. Until the recordation of the Grant Deed, Seller shall maintain all appropriate insurance policies on the Property.

4.6 Possession. As stated in the Recitals, the use of the Property is subject to (i) certain oil and gas leases, and (ii) the lease for auto storage purposes by Three D. At Closing, the Property will be delivered subject to these rights of possession.

4.7 Buyer Covenant. As material consideration for this conveyance contemplated herein, Buyer covenants for itself and any successors in interest that the Property will be used solely for automobile, truck and motorcycle sales and service facilities, approved accessory uses, or such other uses approved under the Specific Plan. This Section 4.7 shall survive the Closing and the recordation of the Grant Deed.

4.8 Authority. The Chief Administrative Officer of the Agency and the City Manager of the City shall each have the authority, in their sole discretion, to execute any extensions of required dates and/or minor modifications of this Agreement which do not materially adversely affect the parties obligations.

5. Seller's Representations and Warranties. Seller represents and warrants to Buyer that (i) it owns the Property free and clear of any and all liens or encumbrances; (ii) it has received no notice and/or has no knowledge that any governmental agency or any employee or agent thereof considers the present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations; (iii) there are no pending or threatened allegations, lawsuits or claims which would affect the Property; (iv) there are no contracts, leases, claims or rights affecting the development or use of Property and no agreements entered into by or under Agency that shall survive the Closing that would adversely affect Buyer's rights with respect to the Property except (a) certain oil and gas leases, and (b) the lease for auto storage purposes by Three D as stated in Section 4.6 and (c) as

heretofore disclosed in writing by Seller to Buyer; and (v) it has full authority to execute the Grant Deed. This section shall survive Closing and recordation of the Grant Deed.

6. Title Policy. The legal description of the Property attached hereto as Exhibit A shall be determined and confirmed by the Title Company. Within five (5) days of the Agreement Date, Seller shall cause Fidelity National Title Insurance Company ("**Title Company**") to issue a preliminary title report for the Property. At Closing, Seller shall cause the Title Company to issued an ALTA non-extended coverage owner's title policy to Buyer shall insure title to the Property vested in the Buyer in the amount of the Purchase Price, subject only to the following ("**Approved Title Exceptions**"): (i) the standard exceptions and exclusions from coverage contained in such form of the policy; (ii) those items stated in Section 4.6; and (iii) such exceptions as approved by Buyer in writing ("**Title Policy**"). Buyer may, at its option, request a three (3) year title binder be issued at Closing.

7. Miscellaneous.

7.1 No Conflict of Interest. No officer or employee of Buyer or Seller shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Seller and Buyer each warrant to the other that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

7.2 Notices. All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) business day after depositing with an overnight air courier, or two (2) business days after depositing in the mail.

Seller: Signal Hill Successor Agency
2175 Cherry Avenue
Signal Hill, CA 90755
Attention: Chief Administrative Officer

Buyer: City of Signal Hill
2175 Cherry Avenue
Signal Hill, CA 90755
Attention: City Manager

Copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attention: David J. Aleshire
Agency Counsel & City Attorney

7.3 Brokerage Commissions. Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

7.4 No Waiver. No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions.

7.5 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neutral gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

7.6 Amendment. Any amendment or modification of this Agreement must be in writing executed by both parties.

7.7 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7.8 Merger of Prior Agreements and Understandings. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated by this Agreement and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

7.9 Time of Essence. Time is of the essence of this Agreement and of the transfer of title to the Property.

7.10 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both parties, notwithstanding that both parties are not signatories to the original or the same counterpart.

7.11 Attorney's Fees. In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

7.12 Exhibits. This Agreement includes the following Exhibits A through C, which are attached hereto and incorporated herein by this reference.

Exhibit A	Legal Description
Exhibit B	Grant Deed
Exhibit C	Covenant Agreement

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

BUYER:

CITY OF SIGNAL HILL,
a municipal corporation

By: _____
Tina L. Hansen, Mayor

SELLER:

CITY OF SIGNAL HILL AS SUCCESSOR
AGENCY TO THE SIGNAL HILL
REDEVELOPMENT AGENCY,
a public agency

By: _____
Tina L. Hansen
Chair

ATTEST:

By: _____
Kimberly Boles
Deputy City Clerk

ATTEST:

By: _____
Kimberly Boles
Deputy Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David J. Aleshire
City Attorney

By: _____
David J. Aleshire
Agency Counsel

EXHIBIT A
Legal Description

The East one-half of Farm Lot 42 of the American Colony Tract, in the City of Signal Hill County of Los Angeles, State of California, as shown on a map thereof recorded in Book 19 Pages 89 and 90 of miscellaneous records, in the Office of the County Recorder of said Los Angeles County.

Excepting therefrom the Easterly 394.30 feet of said Farm Lot 42.

Assessor's Parcel Number: 7212-008-906

EXHIBIT B

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Signal Hill
2175 Cherry Avenue
Signal Hill, CA 90755
Attn: City Manager

APN: 7212-008-906
Exempt from Documentary Transfer Taxes
under R&T Code 11922

(Space Above This Line for Recorder's Office Use
Only)
(Exempt from Recording Fee per Govt. Code §27383)

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, **CITY OF SIGNAL HILL AS SUCCESSOR AGENCY TO THE SIGNAL HILL REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**") hereby grants to the **CITY OF SIGNAL HILL**, a municipal corporation ("**Grantee**") that certain real property located in the City of Signal Hill, County of Los Angeles, State of California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference ("**Property**").

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of _____, 2019.

"GRANTOR"

**CITY OF SIGNAL HILL AS SUCCESSOR
AGENCY TO THE SIGNAL HILL
REDEVELOPMENT AGENCY**, a public body,
corporate and politic

By: _____
_____, Chair

ATTEST:

Kimberly Boles, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David J. Aleshire, Agency Counsel

[INSERT NOTARY ACKNOWLEDGMENT]

EXHIBIT "A"
LEGAL DESCRIPTION OF THE PROPERTY

That certain real property in the City of Signal Hill, County of Los Angeles, State of California legally described as follows:

The East one-half of Farm Lot 42 of the American Colony Tract, in the City of Signal Hill County of Los Angeles, State of California, as shown on a map thereof recorded in Book 19 Pages 89 and 90 of miscellaneous records, in the Office of the County Recorder of said Los Angeles County.

Excepting therefrom the Easterly 394.30 feet of said Farm Lot 42.

Assessor's Parcel Number: 7212-008-906

CERTIFICATE OF ACCEPTANCE OF GRANT DEED

Pursuant to Government Code Section 27281, this is to certify that the real property conveyed by that certain Grant Deed ("**Grant Deed**"), made by the CITY OF SIGNAL HILL AS SUCCESSOR AGENCY TO THE SIGNAL HILL REDEVELOPMENT AGENCY, a governmental agency, to the CITY OF SIGNAL HILL, a municipal corporation ("**City**"), is hereby accepted by the undersigned and duly authorized officer and agent of the City pursuant to the authority conferred by Resolution No. _____ of the City Council of the City of Signal Hill, adopted on _____, and the City, as "grantee" consents to the recordation thereof by its duly authorized officer.

Signed and dated in the City of Signal Hill, California on _____, 2019.

"City"

CITY OF SIGNAL HILL,
a municipal corporation

By: _____

Name:

Title:

ATTEST:

Kimberly Boles
Deputy City Clerk

[INSERT NOTARY ACKNOWLEDGMENT]

EXHIBIT C

FORM OF COVENANT AGREEMENT

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Signal Hill Successor Agency
2175 Cherry Avenue
Signal Hill, CA 90755
Attention: Chief Administrative Officer

WITH A COPY TO:

City of Signal Hill
2175 Cherry Avenue
Signal Hill, CA 90755
Attention: City Manager

SPACE ABOVE FOR RECORDER'S USE ONLY]
Exempt from filing/recording fees per Govt. Code §27383

COVENANT AGREEMENT AND RESTRICTION RUNNING WITH THE LAND

This Covenant Agreement and Restriction Running with the Land ("**Covenant Agreement**") is made this _____ day of _____, 2019 ("**Agreement Date**") by the CITY OF SIGNAL HILL, a municipal corporation ("**City**") in favor CITY OF SIGNAL HILL AS SUCCESSOR AGENCY TO THE SIGNAL HILL REDEVELOPMENT AGENCY, a public agency ("**Agency**").

RECITALS:

- A.** Agency and City previously entered into that certain Agreement for the Purchase and Sale of Real Property, dated as of January __, 2019 (the "**PSA**"), which provides for, among other things, the transfer and sale to the City of that certain real property owned by the Agency located at 1400 E. Spring Street, in the City of Signal Hill, Los Angeles County, California (APN No. 7212-008-906) ("**Property**"), which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

- B.** As set forth under the PSA, as a result of various development constraints encumbering the Property, including, among other things, the existence of active and abandoned oil wells and groundwater wells on-site and related pipelines and easements (the "**Property Limitations**"), despite many years of efforts, the Agency and the City have been unable to sell the Property to a buyer that would develop the Property as an automobile dealership facility consistent with uses allowed under the City's Auto Center Specific Plan (SP-4) ("**Specific Plan**"), which has been determined to be its highest and best use. However, the City has determined that the Property

could serve as a surplus storage site and parking area for other auto dealers in the vicinity, which is also consistent with the uses identified in the Specific Plan, but a lower value use. Therefore, the City has agreed to acquire the Property from the Agency in order to facilitate the use of the Property for such purposes.

- C. As a result of the various Property Limitations, which significantly constrain the development potential of the Property, the parties have agreed to a purchase price of \$558,430 (the "**Purchase Price**"); which is equal to half of the property value specified in the Agency's Long Range Property Management Plan ("**LRPMP**") for the site, which was based on various land values that assumed the Property would be developed as an automobile dealership. However, as set forth under the PSA, as a condition the Agency's sale and transfer of the Property to the City at a discounted price, the Agency requires (the "**Condition**") that the City execute and record this Covenant Agreement in order to memorialize its obligations to distribute to the applicable taxing agencies the full property value upon the City's sale of the Property to a third party.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City irrevocably covenants and agrees as follows:

1. **COVENANT.** The City hereby covenants and agrees that upon any sale of the Property to a third party, all proceeds of such sale, less the Purchase Price, shall be distributed forthwith pro rata to the applicable taxing entities at the time of such sale, pursuant to the redevelopment dissolution law, Health and Safety Code §34181(a)(1). In the event of such sale and such payment by City to the applicable taxing entities as required, the Condition shall be deemed fulfilled ("**Condition Fulfillment**").
2. **DURATION.** This Covenant Agreement shall remain in full force and effect and shall bind City in perpetuity for the benefit of Successor Agency, unless and until Condition Fulfillment shall have occurred. Upon request by the City, following Condition Fulfillment, the Agency shall execute and record a release and termination agreement of this Covenant Agreement memorializing occurrence of Condition Fulfillment.
3. **AMENDMENTS.** This Covenant Agreement may not be amended or modified except (i) in writing executed by the Agency and the City, and (ii) recorded in the Official Records of Los Angeles County.
4. **SEVERABILITY.** If any term or provision in this Covenant Agreement is held to be invalid, or for any reason becomes unenforceable, no other provision shall be affected or impaired.
5. **FINAL AGREEMENT.** This Agreement contains the entire understanding and agreement with respect to the subject matter of this Agreement and all prior or contemporaneous documents, communications, understandings, representations, and statements shall be of no force or effect.

6. **INTERPRETATION; GOVERNING LAW.** This Covenant Agreement shall be construed according to its fair meaning and as if prepared by both parties. This Covenant Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the Agreement Date.

IN WITNESS WHEREOF, the City has caused this Covenant Agreement to be executed on its behalf by its officers as of the Agreement Date.

CITY:

CITY OF SIGNAL HILL,
a municipal corporation

By: _____

Name:

Title:

ATTEST:

Kimberly Boles, Deputy City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____

David Aleshire, City Attorney

EXHIBIT A
Legal Description

The East one-half of Farm Lot 42 of the American Colony Tract, in the City of Signal Hill County of Los Angeles, State of California, as shown on a map thereof recorded in Book 19 Pages 89 and 90 of miscellaneous records, in the Office of the County Recorder of said Los Angeles County.

Excepting therefrom the Easterly 394.30 feet of said Farm Lot 42.

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