Approved for Agenda

Cherishing Our Past - Embracing Our Future

CITY OF INGLEWOOD

One W. Manchester Boulevard Inglewood, CA 90301-1750

inglewood100.com

OFFICE OF THE CITY ADMINISTRATOR

July 1, 2008

TO: **INGLEWOOD REDEVELOPMENT AGENCY**

FROM: **AGENCY COUNSEL**

SUBJECT: **BERGMAN AND DACEY, INC.**

RECOMMENDATION

It is recommended that the Redevelopment Agency approve an Agreement with Bergman and Dacey, Inc. for legal representation to the Inglewood Redevelopment Agency (Redevelopment Agency Funds).

DISCUSSION

The Inglewood Redevelopment Agency is engaged in various litigation and transactional matters in which it needs representation by Special Counsel. Bergman and Dacey has been providing legal advice to the City since October, 2005 and is an experienced Redevelopment firm.

It is recommended that $50,000 be encumbered to provide compensation for new cases which may be assigned to this firm.

R-1

FISCAL IMPACT

Funds for the Agreement are budgeted under Account Code 160-030-3040-4830 (Community Development-Redevelopment Funds-Contract Services).

LEGAL REVIEW

This report has been submitted by the City Attorney's Office.

Attachment: Agreement

N:\STAFF REPORT\(Redevelopment) - Bergman and Dacey.doc

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 21, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Approval of Agreement with Lidgard and Associates for Real Property Appraisal Services**

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency"), approve the attached two-year agreement for real property appraisal services with Lidgard and Associates in the amount of $60,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Lidgard and Associates conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each. Lidgard and Associates has provided satisfactory appraisal services to both the City and Agency over the past seven years.

- **Statement of Options**
The Inglewood Redevelopment Agency has the following options:

A) Continue utilizing the services of Lidgard and Associates. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

B) Discontinue the use of appraisal services by Lidgard and Associates. Discontinuing the services of Lidgard and Associates could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals.

R-2

Lidgard and Associates has worked for the City and Agency for the past several years and staff has found their work to be of good quality. The response to the appraisal needs of the Agency is performed in an efficient and timely manner. Over the past year, the firm has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. The attached Agreement is for a two-year term in an amount not to exceed $60,000.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Ninety percent of the available funds for the existing contract in the amount of $60,000 have been expended. The allocation of $60,000 would allow for the continuation of services

  Funds in the amount of $60,000 for the Agreement are available under account code 160-030-3040-4830 (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval by the Agency to facilitate the preparation of real property appraisals on an as needed basis.

4. **Previous Council Action:**
   On June 19, 2007, the Mayor and City Council Members approved a two-year agreement for appraisal services with Lidgard and Associates in the amount of $60,000.

5. **Substantiation of Recommendations:**
   Lidgard and Associates provides land value and market value studies, appraisal updates and supplemental appraisal reports. Based upon the volume of existing and future appraisals needed, the funds in the existing contract will be exhausted prior to the expiration of the contract. In order to ensure continued services, staff is requesting the Redevelopment Agency approve the attached two-year agreement.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Lidgard and Associates and the Agency

7. **Legal Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: April 21, 2009

TO: Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Approval of Agreement with Integra Realty Resources for Real Property Appraisal Services

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency"), approve the attached two-year agreement for real property appraisal services with Integra Realty Resources in the amount of $30,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Integra Realty Resources conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

On March 24, 2008, staff issued a Request for Qualifications (RFQ) for Appraisal Services. The RFQ was distributed to fourteen (14) qualified appraisal firms. Four (4) appraisal firms submitted responses to the RFQ. The responding firms were Goeppner and Associates; Integra Realty Resources; Norris Realty Advisors; and Hampstead Appraisal Company. The firms were invited to meet with staff to discuss their background and experience. Staff evaluated the consultant's based on a rating sheet which ranked the consultants based upon their qualifications, technical expertise, and previous projects and conducting interviews. The two (2) appraisal firms selected as finalists were Goeppner and Associates and Integra Realty Resources.

Integra Realty Resources has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. Integra Realty Resources is also experienced in specialty property types including auto dealerships, restaurants, bowling alleys, gas stations, churches, food processing facilities and parking structures. In addition, the firm is fully abreast of the required state laws

R-4

relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

- **Statement of Options**
  The Inglewood Redevelopment Agency has the following options:

  A) Approve the consulting contract for appraisal services with Integra Realty Resources. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and will advise the Agency, in writing, of its opinion of the fair market value of each property.

  B) Do not approve of the consulting contract for appraisal services with Integra Realty Resources. Disapproving the contract with Integra Realty Resources could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals conducted by Agency staff.

  C) Re-issue a Request for Qualifications (RFQ) for appraisal services. The entire process, starting with the issuance of an RFQ to finally selecting an appraiser can potentially take four (4) to five (5) months.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 160-030-3040-4830 ($30,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval of the Agency Members in order to obtain appraisal services on an as needed basis.

4. **Previous Council and Agency Action:**
   No previous Agency action.

5. **Substantiation of Recommendations:**
   Integra Realty Resources conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value will advise the Agency, in writing, of its opinion of the fair market value of each. The firm has demonstrated its expertise and ability to perform a broad range of real estate

services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. Integra Realty Resources is also experienced in specialty property types including auto dealerships, restaurants, bowling alleys, gas stations, churches, food processing facilities, and parking structures. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Integra Realty Resources and the Agency.
   Attachment 2: RFQ
   Attachment 3: Ranking Sheet

7. **Legal Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 21, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Approval of Agreement with Goeppner and Associates for Real Property Appraisal Services**

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1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency (Agency), approve the attached two-year agreement for real property appraisal services with Goeppner and Associates in the amount of $30,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Goeppner and Associates conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

On March 24, 2008, staff issued a Request for Qualifications (RFQ) for Appraisal Services. The RFQ was distributed to fourteen (14) qualified appraisal firms. Four (4) appraisal firms submitted responses to the RFQ. The responding firms were Goeppner and Associates; Integra Realty Resources; Norris Realty Advisors; and Hampstead Appraisal Company. The firms were invited to meet with staff to discuss their background and experience. Staff evaluated the consultant's based on a rating sheet which ranked the consultants based upon their qualifications, technical expertise, and previous projects and conducting interviews. The two (2) appraisal firms selected as finalists were Goeppner and Associates and Integra Realty Resources.

Goeppner and Associates has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in

R-3

southern California. The firm has represented various local governments in regards to eminent domain including the City of Garden Grove, County of Riverside, City of Bell Gardens, City of Fullerton and the City of Carson, just to name a few. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the appraisal process in a timely and expeditious manner.

- **Statement of Options**
  The Inglewood Redevelopment Agency has the following options:

  A) Approve the consulting contract for appraisal services with Goeppner and Associates. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and will advise the Agency, in writing, of its opinion of the fair market value of each property.

  B) Do not approve the consulting contract for appraisal services with Goeppner and Associates. Disapproving of the services with Integra Realty Resources could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals conducted by Agency staff.

  C) Re-issue a Request for Qualifications (RFQ) for appraisal services. The entire process, starting with the issuance of an RFQ to finally selecting an appraiser can potentially take four (4) to five (5) months.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 160-030-3040-4830 ($30,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval of the Agency Members in order to obtain appraisal services for Agency activities and projects.

4. **Previous Council and Agency Action:**
   No previous Agency action.

5. **Substantiation of Recommendations:**
   Goeppner and Associates conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value will and

advise the Agency, in writing, of its opinion of the fair market value of each. The firm has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Goeppner and Associates and the Agency.
   Attachment 2: RFQ
   Attachment 3: Ranking Sheet

7. **Legal Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Cherishing Our Past - Embracing Our Future

CITY OF INGLEWOOD

One W. Manchester Boulevard Inglewood, CA 90301-1750

Inglewood100.com

DATE: January 13, 2009

TO: Mayor and Council Members

FROM: City Attorney

SUBJECT: Approve Agreement with Meyers, Nave, Riback, Silver and Wilson for Legal Services

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1. **Proposal:**
It is recommended that the Mayor and Council Members approve an agreement with Meyers, Nave, Riback, Silver and Wilson for legal representation to provide legal advice to the City of Inglewood, regarding the Hollywood Park Project. Mr. David Cunningham is the lead attorney providing services. The contract will be in the amount of $75,000.

2. **Background Information:**
Initially, Mr. Jimmy Gutierrez provided legal advice to the City in conjunction with the Hollywood Park Project. Thereafter, the City Council agreed with the recommendation that Meyers, Nave, Riback, Silver and Wilson be hired. Meyers, Nave, Riback, Silver and Wilson have a current contract with the Redevelopment Agency. The City Attorney has been advised that it would be prudent to execute a contract with this firm and the City to make sure that their bills are paid in a timely fashion until additional details regarding reimbursement of the costs by the Hollywood Park Land Company can be devised

- **Statement of Options**
The Mayor and Council Members have the following options:

A) **Approve Agreement**
Approving an agreement with the recommended firm ensures that that City of Inglewood can be effectively represented in working out complex legal details associated with the Hollywood Park Project.

B) **No Action**
Not approving an agreement can cause a major delay in working out the complex legal issues associated with the Hollywood Park Project.

A-1

- **Administrative/Management Issues**
  The City Attorney, in conjunction with the needs of the City of Inglewood, will determine what advice and guidance is needed by staff to effectively protect the City's legal interests in the Hollywood Park Project negotiations. There will be an effort to seek Hollywood Park Land Company's agreement to reimburse certain legal costs in order to facilitate the timely resolution of any outstanding issues between the parties.

- **Financial/Funding Issues and Sources**
  Funds for this expenditure are available in the 2008-2009 Fiscal Year Budget in account code 001-099-9936-44715.

3. **Critical Milestones:**
   Legal work has begun, is continuing and is critical.

4. **Previous Legislative Action:**
   December 16, 2008 – The Inglewood Redevelopment Agency approved Agreement No. R-08-019 with said firm.

5. **Substantiation of Recommendations:**
   This firm has every area of legal expertise necessary to evaluate the legal significance of what is being proposed by the Hollywood Park Project.

6. **Description of any Attachments:**
   Agreement with Meyers, Nave, Riback, Silver and Wilson.

7. **Legal Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Cal P. Saunders, City Attorney

COUNCIL PRESENTER: Cal P. Saunders

PROOFREAD FOR ACCURACY: CAL P. SAUNDERS

ACA APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: [illegible]

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 28, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Request Approval of an Agreement with Tierra West Advisors (TWA) to Provide Economic Consultant Services**

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1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency (Agency) approve a one-year Agreement with Tierra West Advisors (TWA) to provide economic consultant services in the amount of $40,000. TWA will provide the services required to assist the Agency with extensive economic and market analysis in order to provide the highest quality development for the City of Inglewood.

2. **Background Information:**
The increasing complexity of recent development proposals and their implications for the current and future efforts of the Agency's removal of blight and promotion of the economic revitalization of its redevelopment areas prompted the need to obtain qualified consultants to analyze development proposals and pro formas.

As required under California Redevelopment Law Section No. 33433, the Agency must meet certain requirements in the disposition of property acquired with tax increment funds. In adherence to such requirements, reuse reports are prepared which delineate the reuse value in accordance with the highest and best uses permitted under the redevelopment plan for the area.

On September 3, 2008, a Request for Qualifications (RFQ) was distributed to firms soliciting an economist to assist in the preparation of economic analysis, developer negotiation, and implementation strategies. Staff received responses from five (5) consultants, which included Tierra West Advisors (TWA), Keyser Marston Associates (KMA), Kosmont Companies, CBRE Consulting, Inc. and Economics Research Associates (ERA).

Staff evaluated the consultants based on a rating sheet which ranked the consultants based upon their qualifications, previous projects, technical expertise and on their interview. The selected consultant demonstrated the capability to provide the required services.

R-3

The consultant was selected to assist in a specific area within the City of Inglewood. TWA will be focusing on the Imperial/Prairie and Century Boulevard corridor, and will be available for services in other areas, if needed. The firm has been in operation since 1980 and has provided economic analysis throughout Los Angeles County, including the cities of Los Angeles, Huntington Beach, Glendale and Bell Gardens. Recent projects consist of mixed-use commercial/residential developments, regional malls, "big box" retailers, outlet malls, auto malls and stand-alone auto dealerships.

It should be noted that it was staff's intent at the outset of the RFQ process to select more than one entity to assist in the requisite areas indentified in this report. It was deemed necessary due to the complexity of the economic analysis considerations, and the need to specifically address selected project areas. Therefore, staff is also recommending that KMA and ERA be approved to assist with the Century, Imperial-Prairie and In-Town redevelopment project areas.

- **Statement of Options**
  The Chairman and Agency Members have the following options:

  A) Approve the attached Agreement with TWA to provide economic analysis on development projects.

  B) Direct staff to re-issue the Request for Qualifications (RFQ) and select the most qualified consultants from the submitted proposals. The entire process, starting with the issuance of the RFQ to selecting the economic consultant(s), can potentially take three-to-four months or longer, depending on the Agency's direction to staff during the selection process.

- **Administrative/Management Issues**
  None

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are budgeted under account code 160-030-3040-4830 ($40,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval by the Agency to facilitate the immediate review of development proposals on an as-needed basis in the Imperial-Prairie redevelopment project area, the Century Boulevard corridor, and in other areas, as needed.

4. **Previous Legislative Action:**
None

5. **Substantiation of Recommendations:**
The approval of the agreement with TWA will provide staff with the technical expertise in the analysis of cost projections of proposed developments and projections of economic performance for the completed development. The data generated by TWA would be beneficial, as it would recommend and advise as to the economic feasibility of a development project and what type of business would survive and generate tax revenue for the City; and provide long-term job opportunities for the residents of Inglewood.

6. **Description of any Attachments:**
Exhibit 1 – Contract Agreement with TWA
Exhibit 2 – RFQ
Exhibit 3 – Ranking Sheet

7. **Legal Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Marla Stevens, Acting Redevelopment Manager
Christopher Cain, Development Coordinator
Ignacio Rincon, Redevelopment Specialist

AGENCY PRESENTER: Christopher Cain, Development Coordinator

PROOFREAD FOR ACCURACY: Marla Stevens

EXECUTIVE DIRECTOR APPROVAL: _____

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **August 11, 2009**

TO: **Mayor and Council Members**

FROM: **Community Development Department**

SUBJECT: **Approval of Agreement with Paragon Partners Ltd. for Relocation Consultant Services**

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1. **Proposal:**
It is recommended that the Mayor and Council Members (City) approve the attached one-year agreement for relocation consulting services with Paragon Partners Ltd., in the amount of $104,000 ("Airport Noise Mitigation Grant Funds").

2. **Background Information:**
The City continues to participate in the Airport Noise Mitigation Program funded by the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA) to recycle noise impacted residential properties that are located under the flight path of LAX. The acquired properties are recycled to commercial and industrial uses that are noise compatible.

Through the land recycling program, the City has acquired properties requiring the assistance of relocation consultants in order to facilitate the relocation process. On June 21, 2006, a one-year contract for relocation services was awarded to Paragon Partners LTD, for properties located at 3926 W. 102nd Street and 3940 W. 102nd Street under the FAA Grant (30). Paragon Partners completed relocation services for the 26 unit property located at 3926 W. 102nd Street. However, due to extensive negotiations and legal proceedings that expanded over a two-year period for the property located at 3940 W. 102nd Street (30 units) and concluded June 30, 2009, the firm was unable to complete the relocation activities for that property. It is therefore, necessary to execute a new contract in order to resume and complete the relocation services for the residential units.

- **Statement of Options**
The Mayor and Council Members have the following options:

A) Approve Agreement
Approving the agreement with Paragon Partners, Ltd., will enable the City to relocate residential units in order to complete the relocation phase of the acquisitions.

5

B) No Action

If the Mayor and City Council choose not to approve the agreement, it will hinder the completion of the relocation phase. If staff is directed to re-issue an RFQ for consulting services, the entire process could take approximately three to four months before a new vendor is selected.

- **Administrative/Management Issues**
  It is anticipated that once the relocation phase has been completed, the process of site clearance will begin in the 2009-2010 fiscal year.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 222-100-P730-4830 ($104,000) (Los Angeles World Airports/Federal Aviation Administration Noise Mitigation Grant Funds – Contract Services).

3. **Critical Milestones:**
   None.

4. **Previous Council and Action:**
   On June 20, 2006, the Mayor and Council Members approved a one-year agreement for relocation services with Paragon Partners.

5. **Substantiation of Recommendations:**
   The Agreement requires approval of the Mayor and Council Members in order to obtain relocation services for the Airport Noise Mitigation Land Recycling Program. Paragon Partners possesses the expertise and ability to perform the required relocation and property management services for the City. The firm is qualified to fulfill and complete the relocation services required under the Airport Noise Mitigation Program.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Paragon Partners LTD and the City of Inglewood.

7. **Legal Review Verification:** YB
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** YB
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Margarita Cruz, Airport Noise Mitigation Manager
Marla Stevens, Airport Noise Coordinator

COUNCIL PRESENTER: Marla Stevens

PROOFREAD FOR ACCURACY: Margarita Cruz

ASSISTANT CITY ADMINISTRATOR APPROVAL: _____

CITY ADMINISTRATOR APPROVAL: _____

CITY'S ORIGINAL

AGREEMENT 09-83

THIS AGREEMENT is made and entered into this 11th day of August, 2009, by and between the CITY OF INGLEWOOD hereinafter referred to as the "CITY" and "PARAGON PARTNERS LTD." a California Corporation, with its principal place of business at 5762 Bolsa Avenue, Suite 201, Huntington Beach, California 92649, hereinafter referred to as "Consultant."

WHEREAS, the City desires to engage Consultant to render certain technical advice and assistance on relocation, and property management; and

WHEREAS, Consultant represents that it is familiar with Federal, State and local rules, laws and regulations that govern relocation and property management services; and

WHEREAS, Consultant represents itself as being qualified to provide such services under this Agreement.

NOW, THEREFORE, in consideration of the premises the parties hereto agree as follows:

ARTICLE 1 – SCOPE OF SERVICES

Consultant, when requested by the City, shall confer with and advise the City regarding relocation and property management services including but not limited to the following:

1. Update and develop policies and procedures for implementation of relocation and property management program.

2. Develop monthly relocation activity reports or such other reports as may be required. These reports shall include: (a) field survey results of proposed displaced persons; (b) relocation resources and estimate of adequacy of such resources; (c) recommendation and/or implementation of program to supplement existing relocation resources and budget projections.

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representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

IN WITNESS WHEREOF, the City of Inglewood and Paragon Partners Ltd. have executed this Agreement as of the date first above written.

PARAGON PARTNERS LTD.

Nelia A. La Valle, President

CITY OF INGLEWOOD

Roosevelt Dorn, Mayor

ATTEST:

Yvonne Horton, City Clerk

APPROVED AS TO FORM:

Cal P. Saunders, City Attorney

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Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 28, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Request Approval of an Agreement with Keyser Marston Associates (KMA) to Provide Economic Consultant Services**

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1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency (Agency) approve a one-year Agreement with Keyser Marston Associates (KMA) to provide economic consultant services in the amount of $90,000. KMA will provide the services required to assist the Agency with extensive economic and market analysis in order to provide the highest quality development for the City of Inglewood.

2. **Background Information:**
The increasing complexity of recent development proposals and their implications for the current and future efforts of the Agency's removal of blight and promotion of the economic revitalization of its redevelopment areas prompted the need to obtain qualified consultants to analyze development proposals and pro formas.

As required under California Redevelopment Law Section No. 33433, the Agency must meet certain requirements in the disposition of property acquired with tax increment funds. In adherence to such requirements, reuse reports are prepared which delineate the reuse value in accordance with the highest and best uses permitted under the redevelopment plan for the area.

On September 3, 2008, a Request for Qualifications (RFQ) was distributed to firms soliciting an economist to assist in the preparation of economic analysis, developer negotiation, and implementation strategies. Staff received responses from five (5) consultants, which include Tierra West Advisors (TWA), Keyser Marston Associates (KMA), Kosmont Companies, CBRE Consulting, Inc. and Economics Research Associates (ERA).

Staff evaluated the consultants based on a rating sheet which ranked the consultants based upon their qualifications, previous projects, technical expertise and on their interview. The selected consultant demonstrated the capability to provide the required services.

R-4

The consultant was selected to assist in a specific area within the City of Inglewood. KMA will be utilized to assist with the Revitalization of the Century/Prairie area (i.e., Inglewood Promenade, etc.), and will be available for services in other areas, if needed. The firm has provided these services for over 35 years with offices in Los Angeles, San Diego and San Francisco. Some of their projects include the Paseo Colorado in the City of Pasadena, a mixed-use commercial/residential infill project that has been very successful. Additionally, KMA evaluated the financing structure and allocation of revenues for the Staples Center in Los Angeles.

It should be noted that it was staff's intent at the outset of the RFQ process to select more than one entity to assist in the requisite areas indentified in this report. It was deemed necessary due to the complexity of the economic analysis considerations, and the need to specifically address selected project areas. Therefore, staff is also recommending that TWA and ERA be approved to assist with the Imperial-Prairie and In-Town redevelopment project areas, respectively.

- **Statement of Options**
  The Chairman and Agency Members have the following options:

  A) Approve the attached Agreement with KMA to provide economic analysis on development projects.

  B) Direct staff to re-issue the Request for Qualifications (RFQ) and select the most qualified consultants from the submitted proposals. The entire process, starting with the issuance of the RFQ to selecting the economic consultant(s), can potentially take three-to-four months or longer, depending on the Agency's direction to staff during the selection process.

- **Administrative/Management Issues**
  None

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are budgeted under account code 160-030-3040-4830 ($90,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval by the Agency to facilitate the immediate review of development proposals on an as-needed basis in the Century and Imperial-Prairie redevelopment project areas, and in other areas, as needed.

4. **Previous Legislative Action:**
KMA has a current contract to provide certain technical advice and assistance on financial matters in connection with the Hollywood Park Mixed-Use Development Project (Agreement No. R-08-09) ($120,000); as well as a $7,000 contract with KMA to assist the Redevelopment Agency with a required plan amendment relative to the proposed mixed-use project. Additionally, the Agency has utilized the services of KMA and has a long standing relationship that dates back approximately 15 or more years.

5. **Substantiation of Recommendations:**
The approval of the Agreement with KMA will provide staff with the technical expertise in the analysis of cost projections of proposed developments and projections of economic performance for the completed project. The data generated by KMA would be beneficial, as it would recommend and advise as to the economic feasibility of a development project and what type of business would survive and generate tax revenue for the City; and provide long-term job opportunities for the residents of Inglewood.

6. **Description of any Attachments:**
Exhibit 1 – Contract Agreement with KMA
Exhibit 2 - RFQ
Exhibit 3 – Ranking Sheet

7. **Legal Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Marla Stevens, Acting Redevelopment Manager
Christopher Cain, Development Coordinator
Ignacio Rincon, Redevelopment Specialist

AGENCY PRESENTER: Christopher Cain, Development Coordinator

PROOFREAD FOR ACCURACY: Marla Stevens

EXECUTIVE DIRECTOR APPROVAL: _____

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY ADMINISTRATOR

Inglewood ★★★★★ All-America City

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2010 DEC -9 PM 5:22

DATE: December 14, 2010

TO: Chairman and Redevelopment Agency Board Members

FROM: Executive Director

SUBJECT: Approve Two-Year agreement between the Redevelopment Agency and the Ferguson Group LLC for Federal Lobbying Services

---

RECOMMENDATION

It is recommended that the Chairman and Agency Members take following action to procure continuous Federal legislative advocacy services:

1) Approve a two-year agreement with the Ferguson Group, LLC, in a total amount not to exceed $80,000; and
2) Approve an expense contingency in the amount of $3,000.

BACKGROUND INFORMATION

The Ferguson Group (TFG) is a professional lobbying firm that specializes in representing public agencies and assisting them in receiving federal funding, as well as obtaining legislative and regulatory approvals to address local problems. The City of Inglewood (City) and the Inglewood Redevelopment Agency (Agency) has retained TFG for more than 20 years to provide legislative advocacy services at the federal level.

TFG has worked aggressively to assist the Agency in achieving its federal objectives. From 1997-2007, through Ferguson's lobbying efforts in Washington D.C. and their work with city officials, Inglewood has received over $40 million in appropriations and authorizations for numerous transportation, water infrastructure, economic development, and public safety technology-related projects. Additionally, TFG has worked with the City to secure millions of dollars for the City's noise mitigation and sound insulation efforts. Lastly, TFG provides the City with real-time updates on pertinent federal legislation (i.e. telecommunications, affordable housing, transportation, and the environment).

Last year, the Ferguson Group LLC, submitted seven requests at the behest of the City of Inglewood. Of those efforts, the City was awarded a Federal earmark for the Water System Reliability Program amounting to $100,000.

Currently, TFG is working on securing funding for the following projects:

R-F

PROJECT	REQUEST	FEDERAL SOURCE	NOTES
Law Enforcement Technology and Infrastructure Upgrades	$1.25 million	DOJ – COPS Technology Program	• $200,000 in FY 2008 - To upgrade the in-car Mobile Data Computer (MDC) Units with new hardware and software. Some of the planned MDC upgrades (i.e. RAM, operating software, etc.) will help to improve the performance of the Automated License Plate Readers. • $500,000 in FY 2009 – To conduct an engineering analysis for radio system infrastructure upgrade.
Water System Reliability Program	$400,000	Army Corps of Engineers – Construction	Authorization under WRDA 2007 *(P.L. 110-114, Section 5006)* • $143,000 in FY 2009 (General Investigations) • $100,000 in FY 2010 (Construction)
City-wide Sewer System Upgrade *(Preliminary Assessment Survey)*	$660,000	EPA – State and Tribal Assistance Grant Program	
City-wide Home Weatherization Demo Program	$110,000	DOE – Weatherization Assistance Program	To install a "green" profile to structures in noise impacted neighborhoods within CNEL contours.
Century Blvd Safety & Transportation Improvement Project *(construction)*	$22.28 M	SAFETEA-LU Reauthorization	$3 million authorized in SAFETEA-LU *(for preliminary design and engineering currently underway).*
La Cienega Blvd Grade Separation Project	$4.4 M	SAFETEA-LU Reauthorization	
Residential Sound Insulation Program	$40 M	FAA – Airport Improvement Program	To mitigate aircraft noise in the remaining residential properties within the CNEL contours.

DISCUSSION

For over 20 years, the cost of retaining TFG has been borne by both the City and the Agency. This was done because both entities derived the benefit from utilizing the lobbying services provided by the firm. Prior to the current agreement, the City and the Agency each paid 50% of the firm's costs. This was reflected in separate agreements being entered into by City and the Agency.

On July 28, 2009 the City Council approved its portion of the current lobbying costs by approving an agreement with TFG in the amount of $80,000. To date, invoices have

been solely paid with City funding. The former City Administrator directed that the Agency not present an agreement for its portion of the costs until after staff presented a comprehensive report on the status of all redevelopment fund balances. This presentation occurred on June 28, 2010.

The Agency is now being present with a request by staff to approve an agreement that will facilitate payment of the Agency's share of federal lobbying representation costs.

ADDITIONAL CONSIDERATIONS
None

FINANCIAL/FUNDING ISSUES AND SOURCES
The funds for these services are budget in Redevelopment Account No. 160-030-3040-44830 (Redevelopment Agency, Non-Departmental, Contract Services).

DESCRIPTION OF ANY ATTACHMENTS
Ferguson Group LLC Contract (Redevelopment)

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted, reviewed and approved by the Finance Department.

PREPARED BY: Mawusi K. Watson, Chief of Staff to the CAO

COUNCIL PRESENTERS: Mark F. Weinberg, Executive Director

PROOFREAD FOR ACCURACY: _____

CITY OF INGLEWOOD

OFFICE OF THE CITY ATTORNEY

Inglewood ★★★★★ All-America City 2009

DATE: September 14, 2010

TO: The Agency Board of Directors

FROM: Agency Counsel

SUBJECT: Approve Amendment to Agreement No.: R-08-15 with Bergman and Dacey for Legal Services

---

RECOMMENDATION

It is recommended that the Agency Board of Directors approve an amendment to Agreement No. R-08-15 with Bergman and Dacey for $70,000 to provide legal advice to the Agency regarding the Senior Center Project and other Redevelopment matters. (HUD Funds)

BACKGROUND/DISCUSSION

Bergman and Dacey has the legal expertise necessary to evaluate the legal significance of complex legal issues the Agency faces. They have provided the guidance the Agency needs in the areas of Construction and Redevelopment. The Agency Counsel, in conjunction with the needs of the Agency, will determine what advice and guidance is needed by staff to effectively protect the Agency's legal interests. Legal work has begun and it is critical to keep the services ongoing.

FINANCIAL/FUNDING ISSUES AND SOURCES

Funds for this expenditure are available in the 2010-2011 fiscal year budget in account code number 221-100-P207-4820 (HUD – CDBG – Locust Street Senior Center Project – Contract Services)

DESCRIPTION OF ANY ATTACHMENTS

Proposed Amendment to Agreement No.: R-08-15 with Bergman and Dacey.

LEGAL REVIEW VERIFICATION

This report, in its entirety, was prepared by the Office of the Agency Counsel.

FINANCE REVIEW VERIFICATION

This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Cal P. Saunders, Agency Counsel

COUNCIL PRESENTER: Cal P. Saunders

PROOFREAD FOR ACCURACY: CPS

- **Financial/Funding Issues and Sources**
  Funds in the amount of $175,000 are available in account 160-030-3040-44830 (Redevelopment Funds) for legal assistance on various Redevelopment projects.

3. **Critical Milestones:**
   Legal work has begun, is continuing on Redevelopment matters.

4. **Previous Legislative Action:**
   The Inglewood Redevelopment Agency previously approved Agreement No. R-07-21, in December of 2007, with additional amendments in subsequent actions.

5. **Substantiation of Recommendations:**
   The Agency Counsel is recommending the approval of this Amendment. The services of Kane, Ballmer & Berkman have been utilized by the Agency on numerous occasions and the services provided by the firm have proven to be effective.

6. **Description of any Attachments:**
   Proposed Agreement

7. **Legal Review Verification:** CRS
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the Agency Counsel.

8. **Finance Review Verification:**
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Cal P. Saunders, Agency Counsel

AGENCY PRESENTER: Cal P. Saunders

PROOFREAD FOR ACCURACY: CRS

ACA APPROVAL: N/A

EXECUTIVE DIRECTOR APPROVAL: N/A

Inglewood California

Office of the City Attorney

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2010 JUN 23 PM 5:05

DATE: June 29, 2010

TO: Inglewood Redevelopment Agency

FROM: Agency Counsel

SUBJECT: Approve Agreement Kane Ballmer & Berkman

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency") approve an Agreement with Kane Ballmer & Berkman, for $175,000 to provide legal advice and other legal assistance including litigation and transactional services.

2. **Background Information:**
Mr. Royce Jones, with the law firm of Kane, Ballmer & Berkman ("Kane"), has provided the Redevelopment Agency ("Agency") with legal service for many years in connection with acquisitions of property and various other projects including litigation and transactional matters.

- **Statement of Options**
The Chairman and Agency Members have the following options:

  A) **Approve Agreement**
  Approving this Agreement with the recommended firm ensures that the Agency can continue to be effectively represented without a lapse in representation.

  B) **No Action**
  Not approving this amendment may result in certain delays in that another firm would have to gather institutional history information on before providing the Agency with competent representation on current and future projects.

- **Administrative/Management Issues**
The Agency Counsel, in conjunction with the needs of the Agency, will determine what advice and guidance is needed by staff to effectively protect the Agency's legal interests in various Redevelopment matters.

R-3

AGREEMENT NO.: R-10- 16

THIS AGREEMENT is made and entered into this 29th day of June, 2010 by and between the INGLEWOOD REDEVELOPMENT AGENCY (hereinafter referred to as "Agency") and KANE BALLMER & BERKMAN hereinafter referred to as "Special Counsel," with its principal place of business located at 515 S. Figueroa Street, Suite 1850, Los Angeles, California 90071 and covers work now in progress or that has previously been completed under the prior agreement which has no expiration date.

WHEREAS, Agency is engaged in various litigation and transactional matters in which it is represented by Special Counsel; and

WHEREAS, Agency is desirous of continuing this professional relationship; and

WHEREAS, Special Counsel represents itself to be desirous of continuing to provide Agency with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW THEREFORE, in consideration of the premises the parties hereto agree as follows:

Article 1 -- SCOPE OF SERVICES

Special Counsel agrees to render legal services to Agency when and as requested by the Agency Counsel and under his direction.

Legal services to be performed by Special Counsel under this Agreement may include, but are not limited to the rendering of legal advice and consultation; the drafting and preparation of necessary legal documents to effectuate the best interests of Agency, and all appearances required by the court in litigation involving Agency.

Article 2 -- DUTIES OF AGENCY

Agency shall provide Special Counsel with such information as is possessed by Agency and which is normally supplied to attorneys performing such services.

Article 16 -- ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, Agency and Special Counsel have executed this Agreement as of the date and year first above written.

KANE, BALLMER & BERKMAN

ROYCE K. JONES, Esq.

INGLEWOOD REDEVELOPMENT AGENCY

CHAIRPERSON

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS, Esq.
Agency Counsel

N:\AGREEMENTS\IRA\(Redevelopment) - Kane Ballmer & Berkman 2010.doc

Approved for Agenda

Inglewood All-America City 2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: **September 27, 2011**

TO: **Mayor and Council Members**

FROM: **City Manager Office**

SUBJECT: **Agreement with Gordon Anderson to Provide Redevelopment Services Assistance to Administration and the Community Development Department and Amend the Budget to Transfer Funds within the Redevelopment Division (110907-02)**

RECOMMENDATION

It is recommended that the Mayor and Council Members take the following actions:

(1) Adopt the attached Budget Resolution transferring funds available within the Redevelopment Division for redevelopment services from salary to contract services; and

(2) Approve a professional services agreement with Gordon Anderson for one year to provide redevelopment services assistance to Administration and the Community Development Department in an amount not to exceed $100,000. (Redevelopment Fund)

BACKGROUND

As the City of Inglewood continues to address on-going critical fiscal challenges, examine operational options and find new/effective ways to provide efficient service with a reduced workforce, it has been determined that additional assistance is needed as the City works through these issues.

Effectively, the Community Development Department, which is the department principally responsible for implementing all redevelopment activity, has not had a director since March of 2009. This has left a tremendous void in the organization, specifically for the Redevelopment Division of the department. Recently, the City began the recruitment process for a Community Development Director, and then froze its efforts due to the uncertainty of redevelopment caused by a Stay recently imposed by the California Supreme Court broadly involving recent State legislative actions on the future of redevelopment agencies and activities in California. The Court has indicated that it will likely make a determination by January 15, 2012. Administration has decided to wait for the California Supreme Court's ruling before deciding a future course of action for the Community Development Director position. If the recruitment subsequently moves forward the process is projected to take several months. Therefore, while the circumstances affecting the future determination for the Community

CM-2 + R-5

Development Director position and recruitment is being analyzed, it has been deemed necessary to bring aboard an experienced consultant to assist with key redevelopment projects and considerations. In the interim, it is recommended that Gordon Anderson be hired to provide redevelopment services and assist in identified areas of need for the Redevelopment Division.

Mr. Anderson has a wealth of experience in the disciplines of redevelopment and economic development. During his career Mr. Anderson has served in many capacities in municipal government including as an Economic Development Administrator and Special Assistant to the City Manager in the City of Pasadena; Deputy City Manager in the City of San Pablo; and Assistant City Manager in the cities of Hayward and Santa Monica. Mr. Anderson has also worked as a consultant with City Manager Artie Fields in the City of Salinas on key projects. The City Manager has indicated that he was very pleased with the quality of work Mr. Anderson performed in Salinas. Additionally, Mr. Anderson has several years of financial institution management experience and has over 30 years experience in the private and public sectors.

Since early August 2011, Mr. Anderson has been providing assistance for redevelopment via short-form agreement.

DISCUSSION

As a consultant, Mr. Anderson will provide organizational management assistance to help foster productive development projects and assist in identified areas of need for redevelopment-related items within the Community Development Department. Additionally, Mr. Anderson will assist Administration on a number of key redevelopment projects. It is expected that his experience will afford Administration an opportunity to deploy Mr. Anderson in selected key areas where he can best add value. Effectively, Mr. Anderson will carry-out redevelopment services on behalf of the City of Inglewood, as authorized per the Cooperation Agreement between the City of Inglewood and the Inglewood Redevelopment Agency approved on January 25, 2011, as amended. That agreement stipulates that the City is granted the authority to carry-out redevelopment functions and projects on behalf of the Agency in accordance with Section 33220 of the California Health and Safety Code.

Specifically, Mr. Anderson will assist the City in coordinating various redevelopment efforts necessary for the elimination of blight within the Merged Inglewood Redevelopment Project Area; assist in re-establishing a redevelopment economic development effort; assist the Redevelopment Division with key projects/programs; and aid the Redevelopment Division in their on-going efforts to maximize efficiency. Additionally, Mr. Anderson will assist the Assistant City Manager for Development in Administration's on-going efforts to enhance quality control reviews of specific redevelopment projects, programs, documents, reports, and contracts.

Mr. Anderson will also lend his experience and expertise for specific redevelopment projects that are facilitated by the Redevelopment Division as the Agency attempts to maximize the cost-effectiveness of each proposed project. Additionally, he will provide economic analysis for key redevelopment project proposals and provide recommendations to the City Manager and Assistant City Manager for Development.

Mr. Anderson will also assist in identifying and pursuing additional funding sources for Redevelopment projects and programs as well as assist the Agency in responding to critical issues as they arise.

It should be noted that Mr. Anderson will provide valuable redevelopment expertise and input while the vacancy is being resolved. As stated earlier, the vacancy of the position has had an impact on Administration and the managers in the department.

The proposed agreement has a maximum compensation amount not to exceed $100,000. The proposed hourly rate for Mr. Anderson's services is $100. Mr. Anderson has agreed to accept this assignment at an hourly rate that is lower than his typical rate of $140 to $160 per hour.

Since it is proposed that payment for these services be derived from existing salary savings of the vacant Community Development Director position, it is necessary for the City Council to approve the requested amendment to the 2010-2011 fiscal year budget to transfer $100,000 from account number 160-030-3040-11001 (Redevelopment-Salaries) to account number 160-030-3040-44830 (Redevelopment- Contract Services).

ADDITIONAL CONSIDERATIONS
None

FINANCIAL/FUNDING ISSUES AND SOURCES
Upon City Council authorization, funds will be available in account number 160-030-3040-44830 (Redevelopment-Contract Services) to fund the consultant.

DESCRIPTION OF ANY ATTACHMENTS
Resolution Amending FY 2010-2011 Budget
Exhibit A
Agreement with Gordon Anderson

LEGAL REVIEW VERIFICATION CRS
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Sheldon Curry, Assistant City Manager

COUNCIL PRESENTER: Sheldon Curry, Assistant City Manager

PROOFREAD FOR ACCURACY: Sheldon Curry

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: June 28, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Community Development Department

SUBJECT: Owner Participation Agreement Between the City of Inglewood, Inglewood Redevelopment Agency and Chandler Partners, for the Development of 145 Affordable Rental Housing Units at 527 West Regent Street; and to Amend the 2010-2011 Fiscal Year Agency Budget to Allocate Funds as Needed (#110214-02)

RECOMMENDATION

It is requested that the Mayor and Council Members and the Chairman and Agency Members:

1. Approve the Owner Participation Agreement (OPA) between the City of Inglewood (City), Inglewood Redevelopment Agency (Agency) and Chandler Partners (Developer), for $13,948,000 in Set-Aside funds for gap financing assistance in the form of a residual receipts loan to be repaid over a 55-year term with a one point seven-nine percent (1.79%) compounding interest rate to support the development of 145 units of affordable workforce housing located at 527 West Regent Street; and

2. Adopt the Resolution approving the agreement to provide financial assistance of $13,948,000 from the Agency's Housing Set-Aside-Funds; and

3. Adopt a Resolution amending the Agency budget for the 2010-2011 fiscal year.

BACKGROUND

On March 15, 2011, the Redevelopment Agency considered the request by Chandler Partners for financial assistance to facilitate the development of a 145-unit residential project. A financing structure was presented to the Agency that was reviewed by the Agency's outside economist Keyser Marston (KMA). The KMA analysis determined that the financial assistance was justifiable up to the amount of $18,370,000. Upon approval of the financial assistance, staff was directed to prepare the necessary agreements needed to implement the project. The source of financial assistance approved at that time included $14,370,000 of Housing Set-Aside funds and $4,000,000 of HOME funds.

CM-5d
R-6

The March 15th staff report and the Keyser Marston economic analysis considered by the City Council and Agency are attached to this report for reference.

The project site is comprised of approximately 143,555 square feet of land and has a density of 44 units per acre. Although the project design was modified from an original condominium project to a workforce housing project, the quality of the proposed construction will remain as represented for the original project. The units will be contained within two buildings comprised of two and three-story wood framing over a one-level concrete parking garage. The project will have two parking spaces per unit (290 total), with one guest parking space for every three units (45 guest spaces) and three surplus parking spaces, for a total of 338 parking spaces. The proposed architectural building design consists of a "Mediterranean" influence to enhance the existing neighborhood. Each proposed unit has a balcony. Mediterranean architecture design usually consists of structures that are multi-story and based on a rectangular floor plan, and feature massive, symmetrical primary facades. Mediterranean is characterized generally by stuccoed wall surfaces, flat or low-pitched terra cotta and tile roofs, arches, scrolled or tile-capped parapet walls and articulated door surrounds. Feature detailing is occasionally executed with keystones. Balconies and window grilles are common, and are generally made of wrought iron or wood.

Table 1		
Unit Mix		
	Number of Units	**Unit Size sq. ft.**
Studio Units	1	540
One-Bedroom Units	36	732
Two-Bedroom Units	101	971
Three-Bedroom units	7	1,293

Additionally, the proposed project will contain a community meeting room, an after-school learning center/study hall, a computer lab center, a childcare facility, a tot play lot, a pool and jacuzzi in a landscaped courtyard, and a library. The project will be secured by a buzzer entry system located in each unit that will allow guest access to the residents. The day care center is to be managed by Faithful Central Baptist Church. Afternoon tutoring services will be operated by Century Housing, which provides tutoring through the LIFT (Learning Incentives For Today) Program. Participation in the support services and educational programs is voluntary.

On May 9, 2011, the Developer submitted an amendment to their proposal. After review of the amended proposal by Keyser Marston, it was determined that the proposed amendment results in the reduction of the Agency subsidy despite an increase in estimated total development costs. This was accomplished because the developer secured increases from tax credit equity, including solar rebates, and there was an increase in their deferred developer fee. The original cost and the amended estimated development cost for this project are outlined in Table 2.

The reason for the increased development costs are related to an increase in hard costs of $2,170,000 and increased interest cost of $360,000 not previously considered. There also has been an increase in interest cost and fees associated with the increase in tax credits.

Table 2			
Estimated Development Costs			
	March 15th Proposal	**May 9th Amended Proposal**	**Difference**
Land Assembly	$ 4,685,000	$ 4,695,000	$ 10,000
Direct Building Costs	23,996,000	26,169,000	2,173,000
Indirect Building Costs	6,858,000	6,865,000	7,000
Total Financing Costs	2,341,000	3,303,000	962,000
Total Development Costs	**$37,880,000**	**$41,032,000**	**$3,152,000**

The Developer has applied for state bonds and tax credits in the amounts listed in the May 9th proposed project financing plan. The development entity secured an additional $3,334,000 in tax credit equity. The developer also increased their deffered development fee by an additonal $85,000 and decided to add a solar component to the building which gave them a rebate of $201,000. The latest projected increase in available funds is now greater than the project development costs. As a result the subsidy requested from City/Agency is reduced by $422,000. The requirement for tax exempt bonds is also reduced by $46,000. A comparison of the approved March 15, 2011 and May 9, 2011 amended financing plan is shown in Table 3 as follows.

Table 3			
Proposed Financing			
Funding Source	**March 2011**	**May 2011**	**Difference**
Tax Exempt Bonds	$ 7,557,000	$ 7,511,000	$ (46,000)
Tax Credit Equity	10,703,000	14,037,000	3,334,000
Deferred Developer Fee	1,250,000	1,335,000	85,000
Solar Rebate	-	201,000	201,000
Housing Set-aside funds	14,370,000	13,948,000	(422,000)
HUD HOME Funds	4,000,000	4,000,000	-
Total Potential Funding Sources	**$37,880,000**	**$ 41,032,000**	**$3,152,000**

DISCUSSION

Chandler Partners has submitted an amended proposal resulting in a reduction of tax increment needed to subsidize the project by $422,000. The HOME Fund subsidy will remain the same. The total subsidy now required is $17,948,000. Because of the two distinct funding sources, two Owner Participation Agreements (OPA) have been

prepared to implement and fund this project. The agreement being considered in this report is for the use of Redevelopment Set-Aside funds. This requires that the OPA be between the City, the Redevelopment Agency and the Development entity. This agreement regulates the 121 Set-Aside funded units that will be designated within the site. The remaining 24 units will be financed with HOME funds which maximizes the amount of HOME funds that could be spent on the project. A promissory note has been prepared as part of the OPA showing a loan amount of $13.948 million at one point seven nine percent (1.79%) compound interest rate, the term being fifty-five (55) years. The loan will be structured as a residual receipts note. Audited financial statements will be secured annually to determine the payment owed to the City. Any outstanding balance at the end of 55 years will be due and payable to the City. A second promissory note will be prepared for the HOME funds using the same terms. The total of $4,000,000 in HOME funds will be specifically designated for acquisition of the property by the new development entity from the existing ownership. The land purchase will total $4,695,000. The HOME funds have to be obligated by the City Council.

Table 4

Set-Aside Funded Affordability Mix and Rents for 121 units

Affordability Levels	Studios	1-bdrm	2-bdrm	3-bdrm	Totals
# of Very-Low Income	0	6	16	0	22
Very-Low Income Rents		$585	$654		
# of Low Income	1	23	68	5	97
Low Income Rents	$628	$711	$796	$877	
Unrestricted Management			2		2

No development activity can occur on the site until the HOME fund loan is approved and the land secured by the new development entity. Tables 4 and 5 identify the affordability mix by bedroom and the 2010 rent levels. These rents will be adjusted annually.

Table 5

HOME Funded Affordability Mix and Rents for 24 units

Affordability Levels	1-bdrm	2-bdrm	3-bdrm
Number of Units	7	15	2
Moderate Income- 50% Median/Low HOME	$731	$877	$1,008
Moderate Income- 60% Median/HOME	$887	$1,064	$1,224

ADDITIONAL CONSIDERATIONS

A Mitigated Negative Declaration that complies with the California Environmental Quality Act was previously prepared and approved stating that the proposed project will have no significant adverse impact upon the environment with the implementation of appropriate mitigation measures.

FINANCIAL/FUNDING ISSUES AND SOURCES

Approval of this Agreement will permit the expenditure of $13.948 million of the Set-Aside funds, assisting the Agency in meeting its very-low and low-income expenditure requirements and resolve any excess fund issues the Agency may have. A Resolution amending the 2010-2011 budget is also being presented.

DESCRIPTION OF ANY ATTACHMENTS

Attachment 1	Owner Participation Agreement (OPA)
Attachment 2	Resolution approving OPA agreement
Attachment 3	May 9, 2011 amended proposal
Attachment 4	May 11, 2011 Keyser Marston Analysis of amended proposal
Attachment 5	March 15, 2011 staff report approving project financial structure
Attachment 6	Keyser Marston Report
Attachment 7	Resolution– Budget Amendment

LEGAL REVIEW VERIFICATION

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION

This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Chris Cain, Development Coordinator
Ignacio Rincon, Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY:

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood ★★★★★ All-America City 2009

DATE: June 21, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Administration

SUBJECT: Agreement with the Ferguson Group, LLC to Provide Federal Legislative Advocacy Services

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RECOMMENDATION
It is recommended that the Mayor/Chairman and Council/Agency Members do the following:

City Council

1. Approve a two-year Agreement with the Ferguson Group, LLC to provide federal legislative advocacy services in the annual amount of $32,000; and
2. Approve an expense contingency in the annual amount of $3,000. (General Fund)

Redevelopment Agency

1. Approve a two-year Agreement with the Ferguson Group, LLC to provide federal legislative advocacy services in the annual amount of $40,000; and
2. Approve an expense contingency in the annual amount of $3,000. (Redevelopment Fund)

BACKGROUND
The Ferguson Group, LLC (TFG) is a professional lobbying firm specializing in representing public agencies in obtaining federal legislative, regulatory and funding support for issues of concern to their clients. The City of Inglewood (City) and Inglewood Redevelopment Agency (Agency) have contracted with TFG for more than 20 years to provide legislative advocacy services at the federal level.

TFG has worked aggressively to assist the City and Agency to achieve their federal objectives in support of the Inglewood community. Since 1997, the lobbying efforts by TFG, as reflected by the support of our congressional representatives, have resulted in the City/Agency receiving over $40 million in appropriations and authorizations for

9 & R-5

various transportation, water infrastructure, economic development, and public safety technology-related projects.

Both the City and Agency agreements with TFG will expire on July 1, 2011.

DISCUSSION

With congressional work on the FY 2011 federal budget recently finalized, work on the FY 2012 has now begun. Inglewood officials have engaged TFG representatives as preparations for submission of requests from Inglewood for federal assistance begins. Given the increasing likelihood that there will be a significant reduction in federal spending, (the final spending legislation for FY 2011 enacted nearly $40 billion in programmatic cuts) the need for an experienced lobbying firm to assist Inglewood secure its fair share of federal resources can not be understated.

Although this year's efforts to secure federal assistance was hampered by Congress' ongoing budget struggles, TFG has proved to be beneficial in securing dwindling resources and in keeping us abreast of Federal legislation that could impact the City/Agency. Most recently, TFG assisted Inglewood in receiving the following appropriations: Law Enforcement Voice Radio Interoperable Communications Infrastructure - $500,000; Water System Reliability Program - $143,000; and Inglewood Business Development Program - $430,757. Additionally, TFG has provided assistance with regard to several grant programs including the COPS Hiring Program, the Transportation Investment Generating Economic Recovery (TIGER) grant and various infrastructure programs.

In order to continue representation by TFG, it is recommended that the City and Agency approve new agreements with the firm. Each agreement is for a term of two years, which is consistent with past agreements, and contains a 45-day prior notice cancellation clause. It should be noted that TFG has agreed to provide a reduced fee that will result in an annual savings of $8,000 to the General Fund. This cost saving has been applied retroactively to October 2010 and is also reflected in the proposed agreement.

If the contracts are approved, TFG will continue to provide an array of service to the City/Agency including: representing the City/Agency with Inglewood's congressional delegation to provide assistance in matters relevant to the City/Agency; reviewing and commenting on proposals of the City/Agency prepared for submission to federal agencies; secure and furnishing detailed information on federal programs of interest to the City/Agency; and contact federal agencies on behalf of the City/Agency.

It is important to maintain competent representation at the federal level to effectively represent the interests of the City/Agency, especially with the potential volume of proposed legislation which could adversely affect local agencies.

Approval of these agreements will facilitate the continued advocacy on behave of the City/Agency regarding a number of important initiatives including the following:

- Century Boulevard Safety and Transportation Improvement Project (construction)
- Law Enforcement Technology Equipment and Infrastructure Upgrades
- Water System Reliability Program
- City-wide Sewer System and Preservation and Expansion
- La Cienega Grade Separation Project (planning and design)
- Noise Mitigation/ Land Recycling Program

Recently, TFG worked with our Police Department and secured support from Inglewood's congressional delegation for two important grant applications related to Intellectual Property Crime Enforcement and Solving Cold Cases. Each grant is currently under consideration by United States Department of Justice.

ADDITIONAL CONSIDERATIONS
N/A

FINANCIAL/FUNDING ISSUES AND SOURCES
Due to Inglewood's fiscal constraints, TFG has agreed to reduce its overall fee for service by 10 (ten) percent. This reduced rate was applied retroactively to October 2010 and is reflected, in its totality, in the City contract.

Funds in the amount of $32,000 (City Contract) plus $3,000 for pre-approved travel and related incidental expenses are available in Account Code No. 001-099-9930-4899 (General Fund, Non-Departmental, Contract Services).

Funds in the amount of $40,000 (Redevelopment Agency Contract) plus $3,000 for pre-approved travel and related incidental expenses incurred while representing the Agency are available in Account Code No. 160-030-3040-44830 (Redevelopment Agency, Non-Departmental, Contract Services).

DESCRIPTION OF ANY ATTACHMENTS
City Agreement
Redevelopment Agreement

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been previously submitted to, reviewed and approved by the City Attorney's Office.

FINANCE REVIEW VERIFICATION
This report, in its entirety, has been previously submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Darryl B. Brown, Deputy City Manager
Yakema Decatur, Sr. Administrative Analyst

COUNCIL PRESENTER:
Mark F. Weinberg, City Manager

PROOFREAD FOR ACCURACY: _____

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: June 14, 2011

TO: Mayor and Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Lidgard and Associates to Provide Real Property Appraisal Services (10323-03) for the Redevelopment Agency and City

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RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the Agreement for certain real property appraisal services with Lidgard and Associates (Lidgard) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Lidgard conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each.

The firm has prepared commercial and residential appraisals for both the Agency and City for approximately eight (8) years. Their work has been professional, resulting in the production of good quality appraisal reports. Lidgard has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. The firm is located in Orange, California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. Annually, a budget is prepared that reflects staff's projections for appraisal services. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were

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10 & R-7

prepared for other departments on sites with redevelopment issues. The additional requests have impacted the need for additional appraisal services. A prime example is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single-family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Lidgard and Associates, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Lidgard and Associates Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Marla Stevens, Development Coordinator

PROOFREAD FOR ACCURACY: Margarita Cz

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 14, 2011

TO: Mayor and City Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Nagasaki and Associates to Provide Real Property Appraisal Services for the Redevelopment Agency and City

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RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the attached Agreement for certain real property appraisal services with Nagasaki and Associates (Nagasaki) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Nagasaki conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each.

The firm has prepared commercial and residential appraisals for both the Agency and City for approximately eight (8) years. Their work has been professional, resulting in the production of good quality appraisal reports. Nagasaki has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. Annually, a budget is prepared that reflects staff's projections for appraisal services. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were prepared for other departments on sites with redevelopment issues. The additional requests have impacted the need for additional appraisal services. A prime example is the use of

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9-+ R-6

have impacted the need for additional appraisal services. A prime example is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single- family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Nagasaki and Associates, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Nagasaki and Associates Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VARIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Marla Stevens, Development Coordinator u

PROOFREAD FOR ACCURACY:

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: June 14, 2011

TO: Mayor and City Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Integra Realty Resources to Provide Real Property Appraisal Services for the Redevelopment Agency and City (110323-04)

RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the attached Agreement for certain real property appraisal services with Integra Realty Resources (Integra) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Integra conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each.

Integra was selected by the Agency through a Request for Proposal process in April 2009. The firm has prepared commercial and residential appraisals for the Agency since chosen. Integra has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. The firm is located in Encino, California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were prepared for other departments on sites with redevelopment issues. The additional requests have impacted the need for additional appraisal services. A prime example

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is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single-family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Integra Realty Resources, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Integra Realty Resources Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY:

Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER:

Marla Stevens, Development Coordinator

PROOFREAD FOR ACCURACY:

Margarita Cruz

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 14, 2011

TO: Mayor and Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Goeppner and Associates to Provide Real Property Appraisal Services for the Redevelopment Agency and City (110323-02)

RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the attached Agreement for certain real property appraisal services with Goeppner and Associates (Goeppner) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Goeppner conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each. The firm is located in Costa Mesa, California.

Goeppner was selected by the Agency through a Request for Proposal process in April 2009. The firm has prepared commercial and residential appraisal for both the Agency and City over the last two (2) years. Goeppner has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. Annually, a budget is prepared that reflects staff's projections for appraisal services. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were prepared for other departments on sites with redevelopment issues. The additional requests

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have impacted the need for additional appraisal services. A prime example is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single-family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Goeppner and Associates, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Goeppner and Associates Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Marla Stevens, Development Coordinator

PROOFREAD FOR ACCURACY: Margarita Cruz

Approved for Agenda

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CITY CLERK
CITY OF INGLEWOOD
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CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 7, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Community Development Department

SUBJECT: Selection of Tetra Tech, Ninyo & Moore, and E2 ManageTech, Inc., for Three-Year Contracts to Perform Phase I and Phase II Environmental Site Assessment Consulting Services (110105-02)

RECOMMENDATION

It is recommended that the Mayor/Chairman and Council/Agency Members approve the selection of three firms to perform Phase I and Phase II environmental site assessment consulting services for City/Agency- owned properties; and approve three-year agreements with each firm not to exceed $200,000 each. These services will be funded by tax increment and Federal Aviation Administration (FAA) grant funds.

1) Select Tetra Tech and approve an agreement;
2) Select Ninyo & Moore and approve an agreement;
3) Select E2 ManageTech, Inc. and approve an agreement.

BACKGROUND

Acquisition of privately-owned properties is one of many activities the Agency performs independently and on behalf of the City in order to recycle incompatible properties to appropriate land uses best suited to a given area. The Agency currently has no contracts with environmental consultants that can perform lead-based paint and asbestos surveys. As a consequence the Agency is unable to take the first step needed before demolition of Agency-owned buildings can occur.

The Agency issued a Request For Qualifications ("RFQ") in February 2010, for the services of environmental consultants, as part of an "as needed" contract to provide professional services in the field of hazardous material abatement (i.e., lead paint, asbestos, soil contamination, etc.) to evaluate, prepare specifications, and handle the abatement of hazardous materials. The City/Agency intent is to establish a list of prequalified environmental consultants based on the RFQ proposals received. The list is comprised of consultants that meet the prerequisites and criteria outlined in the solicitation for services. The creation of a list provides the Agency with the infrastructure to respond quickly to the service needs of the Agency avoiding the long term vacancy of Agency- held buildings.

12 & R-4

The RFQ allowed firms to submit qualifications demonstrating expertise in all or a portion of the services listed. The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. The three-year term was selected to reduce the administrative efforts of repeating the RFQ process annually. To insure the consultants provide competitive pricing for the work requested, three consultants are being placed on contract. As services are needed, bids will be requested from the firms under contract asking for their approach and costs. In most instances the lowest bid will be awarded the work and asked to proceed. Placing these vendors under contract for a three-year term enables the City/Agency to improve response time when handling the environmental assessment needs of the City/Agency.

To assist the Agency/City in establishing the prequalified consultants list, a "Selection Team" of individuals who could adequately assess the scientific qualifications of the submittals and assist Agency staff relative to selected scientific aspects of each proposal was created. Walt Lauderdale from Tierra West Advisors, Inc., and Mohamed Esteri from Eco and Associates (ECO) provided their expertise in this area and assisted Agency staff in evaluating the proposals received.

The Agency received twenty-three (23) proposal responses to the RFQ. Each of the proposal responses were reviewed by the Selection Team and assessed based upon the six (6) categories below:

- Completeness
- Responsiveness
- Qualifications
- Experience
- Conflicts
- Costs

Proposal responses were submitted by the firms listed in the table below.

Table 1

City of Inglewood	
Environmental Consultant Services Request For Qualifications	
Consultants Who Submitted Proposals	
A-Tech Consulting, Inc.	SCA Environmental, Inc.
Odic Environmental	The Planning Center
Barr & Clark	Leighton Consulting, Inc.
UE Environmental, Inc.	Coffey Environmental
Masek Consulting Services, Inc.	Winzler & Kelly
Targhee Environmental Consulting	Locus Technologies
Environ International Corp.	E2 Manage Tech, Inc.
ACC Environmental Consultants	Millennium Consulting Associates
Ninyo & Moore	Erler & Kalinowski, Inc.

Andersen Environmental	ATC Associates
Iris Environmental	AEI Consultants
Sigma Engineering, Inc.	

Utilizing the six Categories listed above and the criteria outlined in the RFQ, an evaluation matrix was developed. The matrix is comprised of information relevant to each firm that submitted a proposal. Line item evaluation criteria based upon the City's /Agency's requirements was included to assess the proposal responses. The matrix contains information pertaining to each firm's location, years of experience, type of experience, key personnel, licensing, and special certifications.

To determine the overall qualifications of the proposals submitted, a point scoring system was established to be used in conjunction with the information derived from the evaluation matrix wherein certain response elements were weighed based upon importance and the overall benefits to the Agency/City. Ratings were based on the point scoring system which is outlined in the following Table 2.

Table 2

Scoring Criteria	Points
Experience • Qualification of the Firm and Years Experience • Scope and Scale of Previous Projects • Comparability of Clients on Previous Projects	30
Project Management • Management Approach • Management team • Staff Availability	25
Other Specialty Experience & Qualifications • Education • Certifications • MBE/WBE/DBE/DVBE	10
Cost Efficiency • Lump Sum Fee Service • Fee Schedule	10
Total	75

Once the scoring of the proposals was complete a ranking system was established which consisted of three (3) tiers. The tier rankings are labeled Tier A through Tier C. Tier A is the highest ranking tier; and Tier C was considered the lowest tier. Tier A is based on a point score range of 60 points or greater. Tier B is based upon a scoring range of 55 points to 59 points, while Tier C is based upon a point score of 54 points or less.

Seven (7) firms were ranked in the Tier A Category. Each firm in the Tier A provides Phase 1 and Phase II environmental services with the exception of one firm that provides both Phase I and Phase II environmental services and in-house lead and asbestos services. The following Table 3 lists the firms in Tier A and the services they provide.

Six (6) firms were ranked in the Tier B category. Four of the firms provide Phase I and Phase II environmental services and two of the firms from the Tier B category provide in-house lead and asbestos services.

Table 3

Tier A Firms	Phase I & Phase II	Lead & Asbestos
Tetra Tech	X	
Ninyo & Moore	X	
Environ	X	
E2	X	
Winzler	X	X
Coffey Env	X	
The Planning Center	X	

The following Table 4 lists the firms in Tier B and the services they provide.

Table 4

Tier B Firms	Phase I & Phase II	Lead & Asbestos
Targhee Environmental Consulting	X	
Millennium Consulting Associates		X
ATC Associates	X	
Converse Consultants	X	
AEI Consultants	X	
ACC Environmental Consultants		X

Twelve (12) firms were ranked in the Tier C category. Eight firms in Tier C provide Phase I and Phase II environmental services and four (4) of the firms from the Tier C category provide in-house lead and asbestos services. Table 5 lists the firms in Tier C and the services they provide.

Many of these firms submitted a response requesting to be considered for all the services listed with the intent of sub-contracting. Six (6) firms provide only lead-based paint and asbestos survey services and one (1) firm provides both services. The RFQ allowed submittal for a portion of the services required and the submittals clearly demonstrate responses for two distinct types of services. Based upon the proposal reviews and discussions between City staff, Tierra West and ECO, it was concluded that it would be advantageous to the City/Agency to have two separate lists of consultants. One list would contain a group of consultants that provide Phase I and

Phase II services. The second list would be for those firms that provide lead and asbestos related services.

Table 5

Tier C Firms	Phase I & Phase II	Lead & Asbestos
A-Tech Consulting, Inc.		X
Odic Environmental	X	
Barr & Clark		X
UE Environmental, Inc.	X	
Masek Consulting Services, Inc.		X
Andersen Environmental		X
Iris Environmental	X	
Sigma Engineering, Inc.	X	
SCA Environmental, Inc.	X	
Erler & Kalinowski, Inc.	X	
Leighton Consulting, Inc.	X	
Locus Technologies	X	

Firms on the list to provide Phase I and Phase II services turned out to be the larger firms with many years of experience. These firms however, do not provide in-house lead and asbestos services and would have to contract out such work to sub-consultants. This tends to result in greater fees and delays in service time. To this end, the Selection Committee recommended a second list made up of firms that provide the lead and asbestos services which would also allow for some of the experienced smaller firms to have opportunities to work with the City/Agency. Listed in Table 6 below are the firms that generated high scores as a result of the ranking process. The table lists the eleven (11) firms by capabilities and areas of service.

Table 6

Phase I & Phase II	Lead & Asbestos	Both
Tetra Tech	Winzler	Winzler
Ninyo & Moore	Millennium	
Environ	ACC	
E2	Anderson	
Winzler	Masek	
Coffey Env		
The Planning Center		

The rankings from the scoring system were then used in identifying the top three firms from the Phase I & Phase II list and the Lead-Based Paint and Asbestos list. The top three for Phase I and Phase II environmental firms were Tetra Tech, Ninyo and Moore and Environ; Environ later withdrew their proposal so the firm of E2 Manage Tech. Inc., rose from fourth ranking to third ranking, as listed on Table 7 which follows. The top

three firms for lead-based paint and asbestos services are Winzler & Kelly, Millennium and ACC Environmental Consultants, are listed on Table 8.

Table 7

Environmental RFP Selection Results Environmental Consulng & Phase 1/Phase 2 Services Environmental Consulting Teams			
Evaluation Criteria and Points	Tetra Tech	Ninyo & Moore	E2 Manage Tech
Experience (30 pts)	30	28	26
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	22	23	20
Other Specialty Experience & Qualifications (10 pts)	9	8	7
Cost Efficiency (10 pts)	7	8	8
Total (100 pts. Possible)	68	64	61

Table 8

Environmental RFP Selection Results Environmental Consulting & Lead & Asbestos Services Environmental Consulting Teams			
	Winzler & Kelly	Millennium Consulting Associates	ACC Environmental Consultants
Evaluation Criteria and Points	asbestos/lead	more asbestos/lead	asbestos
Experience (30 pts)	28	21	21
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	18	18	18
Other Specialty Experience & Qualifications (10 pts)	7	7	8
Cost Efficiency (10 pts)	7	10	8
Total (100 pts. Possible)	60	56	55

DISCUSSION

The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. As services are needed, bids will be requested from the firms under contract asking for their approach, costs and timing. In most instances the lowest bid will be awarded the work and asked to proceed. By placing these vendors under contract for a three-year term it allows the City/Agency the ability to improve response time when handling the environmental assessment needs of the City/Agency.

Each of the three firms, Tetra Tech, Ninyo & Moore, and E2 Manage Tech Incorporated, demonstrated extensive experience working with redevelopment agencies in conducting Phase I and II environmental assessments, providing effective and efficient project management of environmental assessments as well as extensive knowledge of environmental laws. Remediation or abatement activities are not contemplated under these contracts. If such work is required they will be handled under a separate bid process. It is recommended that the City/Agency approve an Agreement with each of these firms in the amount up to $200,000 each for a thirty-six month period.

The Consultants will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental issues on a property, handle the review and analysis of environmental documents, and provide counsel to the City/Agency (as needed) on environmental matters dealing with the acquisition and demolition of properties acquired by the Agency on behalf of the City.

The immediate need for these services is at the City-owned property at Glasgow Avenue and Olive Street currently under the Regional Water Quality Control Boards oversight. The Agency has been directed to install wells on that property and monitor the wells for a minimum of one year. There are also Agency-owned properties that have not undergone environmental review that may require the preparation of a Phase I environmental assessment, such as the Century Printing Press property on 4016-4020 West Century Boulevard.

ADDITIONAL CONSIDERATIONS

The list of qualified environmental consultants shall expire after a thirty-six month period, or after all of the Agency/City-owned properties have undergone environmental assessment activities, or by December 31, 2014, whichever occurs first.

FINANCIAL/FUNDING ISSUES AND SOURCES

The service contract for each of the three firms is for a thirty-six month period (three years) in an amount not to exceed $200,000 (two hundred thousand dollars) each. Funds for the three service contracts are available in the amount of $150,000 in account 160-030-3040-44830 (Tax Increment Fund) and are available in the amount of

$450,000 in account 222-100-P732-44830 (Grant Funds) to cover the three agreements.

DESCRIPTION OF ANY ATTACHMENTS
Attachment A Agreement for Tetra Tech
Attachment B Agreement for Ninyo & Moore
Attachment C Agreement for E2 Manage Tech., Incorporated

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator

CITY/AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens for M. Cruz

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2011 JUN -7 AM 11:17

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 7, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Community Development Department

SUBJECT: Selection of Winzler & Kelly, Millennium Consulting Associates, and ACC Environmental Corp for Three-Year Contracts to Perform Asbestos/Lead-Based Paint Survey Site Assessment Consulting Services (110105-01)

RECOMMENDATION

It is recommended that the Mayor/Chairman and Council/Agency Members approve the selection of three firms to perform asbestos/lead-based paint survey consulting services for City/Agency-owned properties; and approve three-year agreements with each firm not to exceed $200,000 each. These services will be funded by Federal Aviation Administration (FAA) grant funds.

1) Select Winzler & Kelly and approve agreement;
2) Select Millennium Consulting Associates and approve agreement;
3) Select ACC Environmental Corp and approve agreement.

BACKGROUND

Acquisition of privately-owned properties is one of many activities the Agency performs independently and on behalf of the City in order to recycle incompatible properties to appropriate land uses best suited to a given area. The Agency currently has no contracts with environmental consultants that can perform lead-based paint and asbestos surveys. As a consequence the Agency is unable to take the first step needed before demolition of Agency-owned buildings can occur.

The Agency issued a Request For Qualifications ("RFQ") in February 2010, for the services of environmental consultants, as part of an "as needed" contract to provide professional services in the field of hazardous material abatement (i.e., lead paint, asbestos, soil contamination, etc.) to evaluate, prepare specifications, and handle the abatement of hazardous materials. The City/Agency intent is to establish a list of prequalified environmental consultants based on the RFQ proposals received. The list is comprised of consultants that meet the prerequisites and criteria outlined in the solicitation for services. The creation of a list provides the Agency with the infrastructure to respond quickly to the service needs of the Agency avoiding the long term vacancy of Agency- held buildings.

13 & R-5

The RFQ allowed firms to submit qualifications demonstrating expertise in all or a portion of the services listed. The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. The three-year term was selected to reduce the administrative efforts of repeating the RFQ process annually. To insure the consultants provide competitive pricing for the work requested, three consultants are being placed on contract. As services are needed, bids will be requested from the firms under contract asking for their approach and costs. In most instances the lowest bid will be awarded the work and asked to proceed. Placing these vendors under contract for a three-year term enables the City/Agency to improve response time when handling the environmental assessment needs of the City/Agency.

To assist the Agency/City in establishing the prequalified consultants list, a "Selection Team" of individuals who could adequately assess the scientific qualifications of the submittals and assist Agency staff relative to selected scientific aspects of each proposal was created. Walt Lauderdale from Tierra West Advisors Inc., and Mohamed Esteri from Eco and Associates (ECO) provided their expertise in this area and assisted Agency staff in evaluating the proposals received.

The Agency received twenty-three (23) proposal responses to the RFQ. Each of the proposal responses were reviewed by the Selection Team and assessed based upon the six (6) categories below:

- Completeness
- Responsiveness
- Qualifications
- Experience
- Conflicts
- Costs

Proposal responses were submitted by the firms listed in the table below.

Table 1

City of Inglewood	
Environmental Consultant Services Request For Qualifications	
Consultants Who Submitted Proposals	
A-Tech Consulting, Inc.	SCA Environmental, Inc.
Odic Environmental	The Planning Center
Barr & Clark	Leighton Consulting, Inc.
UE Environmental, Inc.	Coffey Environmental
Masek Consulting Services, Inc.	Winzler & Kelly
Targhee Environmental Consulting	Locus Technologies
Environ International Corp.	E2 Manage Tech, Inc.
ACC Environmental Consultants	Millennium Consulting Associates
Ninyo & Moore	Erler & Kalinowski, Inc.

Andersen Environmental	ATC Associates
Iris Environmental	AEI Consultants
Sigma Engineering, Inc.	

Utilizing the six Categories listed above and the criteria outlined in the RFQ, an evaluation matrix was developed. The matrix is comprised of information relevant to each firm that submitted a proposal. Line item evaluation criteria based upon the City's /Agency's requirements was included to assess the proposal responses. The matrix contains information pertaining to each firm's location, years of experience, type of experience, key personnel, licensing, and special certifications.

To determine the overall qualifications of the proposals submitted, a point scoring system was established to be used in conjunction with the information derived from the evaluation matrix wherein certain response elements were weighed based upon importance and the overall benefits to the City/Agency. Ratings were based on the point scoring system which is outlined in the following table.

Table 2

Scoring Criteria	Points
Experience • Qualification of the Firm and Years Experience • Scope and Scale of Previous Projects • Comparability of Clients on Previous Projects	30
Project Management • Management Approach • Management Team • Staff Availability	25
Other Specialty Experience & Qualifications • Education • Certifications • MBE/WBE/DBE/DVBE	10
Cost Efficiency • Lump Sum Fee Service • Fee Schedule	10
Total	75

Once the scoring of the proposals was completed a ranking system was established which consisted of three (3) tiers. The tier rankings are labeled Tier A through Tier C. Tier A is the highest ranking tier; and Tier C was considered the lowest tier. Tier A is based on a point score range of 60 points or greater. Tier B is based upon a scoring range of 55 points to 59 points, while Tier C is based upon a point score of 54 points or less.

Seven (7) firms were ranked in the Tier A Category. Each firm in the Tier A provides Phase I and Phase II environmental services with the exception of one firm from the

Tier A category provides both Phase I and Phase II environmental services and in-house lead and asbestos services. The following Table 3 lists the firms in Tier A and the services they provide.

Table 3

Tier A Firms	Phase I & Phase II	Lead & Asbestos
Tetra Tech	X	
Ninyo & Moore	X	
Environ	X	
E2	X	
Winzler	X	X
Coffey Env	X	
The Planning Center	X	

Six (6) firms were ranked in the Tier B category. Four of the firms provide Phase I and Phase II environmental services and two firms from the Tier B category provide in-house lead and asbestos services. The following Table 4 lists the firms in Tier B and the services they provide.

Table 4

Tier B Firms	Phase I & Phase II	Lead & Asbestos
Targhee Environmental Consulting	X	
Millennium Consulting Associates		X
ATC Associates	X	
Converse Consultants	X	
AEI Consultants	X	
ACC Environmental Consultants		X

Twelve (12) firms were ranked in the Tier C category. Eight (8) firms in Tier C provide Phase I and Phase II environmental services and four (4) of the firms from the Tier C category provide in-house lead and asbestos services. Table 5 lists the firms in Tier C and the services they provide.

Many of these firms submitted a response requesting to be considered for all the services listed with the intent of sub-contracting. Six (6) firms provide only lead- based paint and asbestos survey services and one (1) firm provide both services. The RFQ allowed submittal for a portion of the services required and the submittals clearly demonstrate responses for two distinct types of services. Based upon the proposal reviews and discussions between City staff, Tierra West and ECO, it was concluded that it would be advantageous to the City/Agency to have two separate lists of consultants. One list would contain a group of consultants that provide Phase I and Phase II services. The second list would be for those firms that provide lead-based paint and asbestos related services.

Table 5

Tier C Firms	Phase I & Phase II	Lead & Asbestos
A-Tech Consulting, Inc.		X
Odic Environmental	X	
Barr & Clark		X
UE Environmental, Inc.	X	
Masek Consulting Services, Inc.		X
Andersen Environmental		X
Iris Environmental	X	
Sigma Engineering, Inc.	X	
SCA Environmental, Inc.	X	
Erler & Kalinowski, Inc.	X	
Leighton Consulting, Inc.	X	
Locus Technologies	X	

Firms on the list to provide Phase I and Phase II services turned out to be the larger firms with many years of experience. These firms however, do not provide in-house lead-based paint and asbestos services and would have to contract out such work to sub-consultants. This tends to result in greater fees and delays in service time. To this end, the Selection Committee recommended a second list made up of firms that provide the lead based paint and asbestos services which would also allow for some of the experienced smaller firms to have opportunities to work with the City/Agency. Listed in Table 6 below are the firms that generated the highest scores as a result of the ranking process. The table lists the eleven (11) firms by capabilities and areas of service.

Table 6

Phase I & Phase II	Lead & Asbestos	Both
Tetra Tech	Winzler	Winzler
Ninyo & Moore	Millennium	
Environ	ACC	
E2	Anderson	
Winzler	Masek	
Coffey Env		
The Planning Center		

The rankings from the scoring system were then used in identifying the top three firms from the Phase I & Phase II list and the Lead-Based Paint and Asbestos list. The top three for Phase I and Phase II environmental firms were Tetra Tech, Ninyo and Moore and Environ; Environ later withdrew their proposal so the firm E2 Manage Tech. Inc., rose from fourth ranking to third ranking, as listed on Table 7 which follows. The top

three firms for lead-based paint and asbestos services are Winzler & Kelly, Millennium and ACC Environmental Consultants, as listed on Table 8.

Table 7

Environmental RFP Selection Results Environmental Consulting & Phase 1/Phase 2 Services Environmental Consulting Teams			
Evaluation Criteria and Points	Tetra Tech	Ninyo & Moore	E2 Manage Tech
Experience (30 pts)	30	28	26
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	22	23	20
Other Specialty Experience & Qualifications (10 pts)	9	8	7
Cost Efficiency (10 pts)	7	8	8
Total (100 pts. Possible)	68	67	61

Table 8

Environmental RFP Selection Results Environmental Consulting & Lead & Asbestos Services Environmental Consulting Teams			
	Winzler & Kelly	Millennium Consulting Associates	ACC Environmental Consultants
Evaluation Criteria and Points	asbestos/lead	more asbestos/lead	asbestos
Experience (30 pts)	28	21	21
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	18	18	18
Other Specialty Experience & Qualifications (10 pts)	7	7	8
Cost Efficiency (10 pts)	7	10	8
Total (100 pts. Possible)	60	56	55

DISCUSSION

The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. As services are needed, bids will be requested from the firms under contract asking for their approach, costs and timing. In most instances the lowest bid will be awarded the work and asked to proceed. By placing these vendors under contract for a three-year term it allows the City/Agency the ability to improve response time when handling the environmental assessment needs of the City/Agency.

Each of the three firms Winzler & Kelly, Millennium Consulting Associates and ACC Environmental Corp demonstrated extensive experience working with redevelopment agencies in conducting asbestos/lead-based paint surveys, providing effective and efficient project management of environmental assessments as well as extensive knowledge of environmental laws. Remediation or abatement activities are not contemplated under these contracts. If such work is required they will be handled under a separate bid process. It is recommended that the City/Agency approve an Agreement with each of these firms in an amount up to $200,000 each for a thirty-six month period.

The Consultants will identify environmental concerns attributed to current and past property uses, determine liability and business risk related to environmental issues on a property, handle the review and analysis of environmental documents, and provide counsel to the City/Agency on environmental matters dealing with the acquisition and demolition of properties acquired by the Agency on behalf of the City.

The immediate need for these services is at the City-owned properties located along 102nd Street between Doty Avenue and Prairie Avenue as well as the Century Press property located at 4016 – 4020 West Century Boulevard and the former transitional housing facility (halfway house) located at 4026-4028 West Century Boulevard. Lead-based paint and asbestos surveys will be completed for these properties which is the first step in the demolition process.

ADDITIONAL CONSIDERATIONS

The list of qualified environmental consultants shall expire after a thirty-six month period, or after all of the Agency/City-owned properties have undergone environmental assessment activities, or by December 31, 2014, whichever occurs first.

FINANCIAL/FUNDING ISSUES AND SOURCES

The service contract for each of the three firms is for a thirty-six month period (three years) in an amount not to exceed $200,000 (two hundred thousand dollars) each. Funds in the amount of $600,000 to cover the three agreements are available in account 222-100-P732-44830 (Grant Funds).

DESCRIPTION OF ANY ATTACHMENTS

Attachment A Agreement for Winzler & Kelly

Attachment B Agreement for Millennium Consulting Services
Attachment C Agreement for ACC Environmental Corp

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator

CITY/AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita Cruz

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: May 3, 2011

TO: Mayor and Council Members
Redevelopment Agency

FROM: Agency Counsel
City Attorney

SUBJECT: Request to Approve Agreement with Kane Ballmer & Berkman to Provide Legal Services to the Inglewood Redevelopment Agency and City of Inglewood

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RECOMMENDATION

It is recommended that the Chairman and Agency Members and the Mayor and Council Members approve an Agreement with Kane Ballmer & Berkman to provide legal advice and legal representation for the Inglewood Redevelopment Agency and the City of Inglewood, regarding redevelopment matters. This contract covers work in progress, work that has been performed and work in the future. The contract amount is $100,000.

BACKGROUND INFORMATION

Kane Ballmer & Berkman has been handling a number of redevelopment matters for the Inglewood Redevelopment Agency for a few years. They provided advice regarding the plans for and legal issues surrounding the planned construction of the Senior Center and a host of other redevelopment matters. There is a need to continue to utilize their services in connection with redevelopment matters which require specialized legal knowledge.

DISCUSSION

During the past few years, Kane Ballmer & Berkman and their highly competent legal staff have represented the Inglewood Redevelopment Agency and provided legal advice. Their services are very important because the City of Inglewood has a small team of attorneys in the City Attorney's Office.

The demands of ongoing litigation require that the City of Inglewood get the best legal advice that is necessary to protect its legal interests. The Office of City Attorney advises the City Council and all city departments on a day to day basis. It is necessary to retain outside legal counsel to represent the City in redevelopment matters.

A-3 & R-5

The decision to retain outside legal counsel is very important because of the specialized knowledge required in many cases facing the city. While on the surface it seems that the money being spent on outside legal counsel is large, the consequences of not hiring the best legal counsel available can be much more expensive.

ADDITIONAL CONSIDERATIONS
None at this time.

FINANCIAL/FUNDING ISSUES AND SOURCES
Contract Services-Comm Dev & HSG 160-030-3040-44830

DESCRIPTION OF ANY ATTACHMENTS
Amendment to the Agreement.

LEGAL REVIEW VERIFICATION CPS
This report, in its entirety, has been submitted, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted, reviewed and approved by the Finance Department.

PREPARED BY:
Cal P. Saunders, City Attorney

COUNCIL PRESENTER:
Cal P. Saunders, City Attorney

PROOFREAD FOR ACCURACY: CPS

11-103

AGREEMENT NO.: R-11-006/11-045

THIS AGREEMENT is made and entered into this 3rd day of May, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and KANE BALLMER & BERKMAN (hereinafter referred to as "Special Counsel,") with its principal place of business located at 515 S. Figueroa Street, Suite 1850, Los Angeles, California 90071, and covers work now in progress or that has previously been completed under the prior agreement which has no expiration date.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") is engaged in various litigation and transactional matters in which it is represented by Special Counsel; and

WHEREAS, the Owner is desirous of continuing this professional relationship; and

WHEREAS, Special Counsel is desirous of continuing to provide the Owner with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW, THEREFORE, the City, the Agency and Special Counsel, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and Special Counsel, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency under this

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

CITY OF INGLEWOOD

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
City Clerk

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
Agency Secretary

APPROVED AS TO FORM:

Cal P. Saunders,
Agency Counsel

KANE, BALLMER & BERKMAN

Royce K. Jones, Esq.,
Special Counsel

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Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: March 1, 2011

TO: Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with DHA Consulting, to Provide Financial Consulting Services (110118-08)

RECOMMENDATION

It is requested that the Chairman and Agency Members approve the Agreement for certain financial planning and regulatory reporting requirement services with DHA Consulting Firm (DHA) for the term of two years, beginning March 1, 2011 for the maximum amount of $125,000.

BACKGROUND INFORMATION /DISCUSSION

The Redevelopment Agency (Agency) is required to meet certain financial planning and regulatory reporting requirements. The firm of DHA has extensive expertise preparing the required regulatory reports and has provided financial and technical consulting services pursuant to activities undertaken by the Agency. DHA assisted the Agency in preparing the AB1389 pass through accounting report in the fall of 2009 that resulted in payments owed to the City and other taxing agencies for the time period between 2003 through 2008. DHA also prepared the 2009 and 2010 AB 1290 taxing agencies pass through reports. Additionally, the firm worked closely with the Finance Department to develop a financial assessment and cash flow planning model for the Master Plan presented to the Agency in June 2010.

Ongoing assistance is needed for financial planning and preparation of regulatory reports to ensure the Agency meets its state regulatory requirements. The legally mandated reports are complex and require a special expertise not currently available to the Agency. Also, the reduction in workforce has impacted the Agency's ability to complete some of the reports that were previously completed in-house by the Finance department. DHA has been asked to prepare two reports that need to be prepared for the upcoming 2010-2011 fiscal year and to complete various reports needed on an annual basis over a two-year period, 2010-2011 and 2011-2012.

The scope of work includes the following:

R-5

Housing Compliance Audit
Within the Master Plan presented to the Agency June 30, 2010, it was recommended that a Housing Compliance Audit be prepared for the Agency. The overriding goal of the audit will be to identify systems and procedures that have caused or are likely to cause problems complying with regulatory requirements. This is a one time study.

Implementation Plan
Health and Safety Code (H&SC) Section 33490 requires the Agency to prepare an implementation plan every five years. The last plan period was 2006-07 to 2010-11. A new five-year plan needs to be adopted for the next five-year period from 2011-12 to 2015-16. There are very specific elements that must be included with the plan as required by law. Approval of the plan should take place prior to the termination of the existing plan.

Other Reports
Other regulatory reports that will be prepared include: The Statement of Indebtedness, Annual HCD Report, Annual State Controller Report and Calculation of Annual tax sharing obligations (AB1290 Pass Throughs). Additional financial planning activities that will assist the Agency going forward include preparation of the Tax Increment Revenue Projects, preparation of Revenue and Expenditure Cash Flows, and other reports as needed during the two-year term. See Proposal for Consulting Services (Exhibit "A") for a detailed description of the activities to be performed.

The services described above are proposed to be completed on a time and material basis and only on specific request of Agency staff. An estimated costs by task schedule for DHA is presented in the attached proposal and Agreement. The charges for these services would be for time worked on the projects. The Housing Compliance Audit will take approximately 160 hours of the Principal's time and 20 hours of the Analyst's time. The Implementation Plan will take approximately 126 hours of the Principal's time and 20 hours of the Analyst's time. These are two of the major functions to be performed under the Agreement.

ADDITIONAL CONSIDERATIONS
DHA's hourly rates for services provided are $150 an hour for the President and $55 an hour for the Administrative Analyst. The Agreement is subject to termination at the Agency's discretion or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the Executive Director.

Should the Agreement for the subject services not be approved, the Agency will risk being out of compliance with regulatory requirements in all areas mentioned in the discussion. Another consultant with the same experience would have to be sought to perform the necessary functions outlined in this report.

FINANCIAL /FUNDING ISSUES AND SOURCES
Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:
Attachments: Agreement for DHA Consulting Services

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VARIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Administrator
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY:

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Request to Approve the Agreement with Tierra West Advisors (TWA) For Economic Consulting Services (111024-01)

RECOMMENDATION

It is recommended that the Mayor and Council Members approve the Agreement for economic consulting services with Tierra West Advisors (TWA) in the amount of $50,000, beginning January 31, 2012.

BACKGROUND INFORMATION

The City requires the assistance of a qualified economic consultant to analyze development proposals and pro formas. The firm of Tierra West Advisors (TWA) was hired to assist in a specific area within the City of Inglewood. TWA will be focusing on the Imperial/Prairie and Century Boulevard corridor. The firm will be available for services in other areas, if needed. Their recent projects consist of mixed-use commercial/residential developments, regional malls, "big box" retailers, outlet malls, auto malls and stand-alone auto dealerships.

On September 3, 2008, a Request for Qualifications (RFQ) was distributed to firms, soliciting an economist to assist in the preparation of economic analysis, developer negotiations and implementation strategies. Staff received responses from five (5) consultants which included Tierra West Advisors (TWA), Keyser Marston Associates (KMA), Kosmont Companies, CBRE Consulting, Inc. and Economics Research Associates (ERA). Staff evaluated the consultants who were ranked on their qualifications, previous projects, technical expertise and their presentations. TWA was selected based upon having the highest ranking.

DISCUSSION

The firm of TWA has provided its skill and expertise in these areas and it is requested that these services be continued. The firm has provided economic analysis on City/Agency projects for the past three years. They have provided a level of service to facilitate analysis of long term projects that will require periodic update as well as analysis of future proposed development projects. The services will provide staff with the technical expertise in the analysis of cost projections of proposed developments and projections of economic performance for the completed developments. The data generated by TWA would advise

One W. Manchester Boulevard, Ste. 450 • Inglewood, CA • 90301 • Phone (310) 412-5290 • Fax (310) 412-5680 •
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CD-2

as to the economic feasibility of a development project and determine which type of businesses could survive and generate tax revenue for the City.

Pursuant to the Inglewood Municipal Code, Section 2-198.3, Professional Type Contracts Excluded: Nothing shall be construed to preclude the City from awarding a written contract for professional type services as defined by case or statutory law, without complying with the provisions of this Article (Ord.2387). Professional Services as defined by the Inglewood Municipal Code, Section 8-1.40. "Professional Services" shall mean any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any person engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractics and optometry.

ADDITIONAL CONSIDERATIONS
None

FINANCIAL/FUNDING ISSUES AND SOURCES
Funds in the amount of $50,000 are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services) for this Agreement.

DESCRIPITION OF ANY ATTACHMENTS
Attachment 1: Agreement

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: _____

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Agreement with Sanli, Pastore & Hill to Provide Appraisal Services for the Redevelopment Agency and City (120119-01)

RECOMMENDATION

It is recommended that the Mayor and City Council (City) approve the Agreement for certain goodwill appraisal services with Sanli, Pastore & Hill (Sanli) for the term of two years, beginning January 31, 2012, for a maximum amount of $60,000 (Redevelopment Funds).

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of a qualified and experienced appraisal firm to determine goodwill values in support of the acquisition process through negotiated sales. Sanli conducts goodwill valuations, which consist of the benefits that accrue to a business as a result of location, reputation for dependability and quality. It is the intangible value of a business above the value of the tangible assets. The firm then advises the City, in writing, of its opinion of the fair market value of each. Furniture, Fixture and Equipment appraisals provide full narratives of the improvements pertaining to the realty and movable equipment used in the business. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. The firm is located in Los Angeles, California.

DISCUSSION

Goodwill valuation is a separate and very complex specialty, which is a subset of a business valuation. Sanli, Pastore & Hill is a specialist business valuation firm that has provided appraisal services for the Agency over eighteen years. Annually, a budget is prepared that reflects staff's projections for appraisal services.

Pursuant to the Inglewood Municipal Code, Section 2-198.3, Professional Type Contracts Excluded; nothing shall be construed to preclude the City from awarding a written contract for professional type services as defined by case or statutory law, without complying with the provisions of this Article (Ord.2387).

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CN-4

Professional Services as defined by the Inglewood Municipal Code, Section 8-1.40. Professional Services as follows:

> "Professional Services" shall mean any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any person engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractics and optometry.

ADDITIONAL CONSIDERATIONS
Anticipated future goodwill appraisals will be required to facilitate the sale of Agency-owned property with tenants at 101 North Market Street.

FINANCIAL /FUNDING ISSUES AND SOURCES
Funds in the amount of $60,000 are budgeted under account code 160-030-3040-44830 (Redevelopment Fund – Contract Services) for this Agreement.

DESCRIPTION OF ANY ATTACHMENTS:
Attachments: Agreement for Sanli, Pastore & Hill Goodwill Appraisal Services

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Redevelopment Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita S

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Agreement with Paragon Partners Ltd. (Paragon) to Provide Relocation Consultant Services for the City of Inglewood and Adopt a Resolution Amending the Fiscal Year 2011-2012 Budget (110720-02)

RECOMMENDATION

It is recommended that the Mayor and Council Members take the following actions:

1) Approve a two-year agreement with Paragon Partners for certain relocation consultant services beginning January 31, 2012 for a maximum amount of $60,000 (Housing Set-Aside Funds); and

2) Adopt a resolution amending the fiscal year 2011-2012 budget.

BACKGROUND

The City owned parcel located at 101 North Market is occupied by three businesses which may need to be relocated pending determination of the future use of the site. Paragon Partners has over fifteen years of extensive experience in providing relocation assistance and property management services for cities, counties, redevelopment agencies, utilities and railroads, as well as state and federal agencies. The firm is located in Huntington Beach, California.

DISCUSSION

Due to the recent state legislature crisis and the threat of the elimination of redevelopment Agencies, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a two year agreement to provide relocation consultant services to the City, with the understanding that an RFQ will be circulated for future services.

Pursuant to the Inglewood Municipal Code, Section 2-198.3, Professional Type Contracts Excluded: Nothing shall be construed to preclude the City from awarding a written contract for professional type services as defined by case or statutory law, without complying with the

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CD-3

provisions of this Article (Ord.2387). Professional Services as defined by the Inglewood Municipal Code, Section 8-1.40 - Professional Services:

"Professional Services" shall mean any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any person engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractics and optometry.

ADDITIONAL CONSIDERATIONS
None

FINANCIAL /FUNDING ISSUES AND SOURCES
Sufficient funds are available within the housing set-a-side unobligated fund balance to cover the expense and will be transferred to account code 169-030-3049-44830 (Housing Set-Aside-Funds – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:
Attachments: Agreement for Paragon Partners Ltd. Consultant Services

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita G

Approved for Agenda

Inglewood All-America City 2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: **January 31, 2012**

TO: **Mayor and Council Members**

FROM: **Community Development Department**

SUBJECT: **Public Hearing of the City Council of the City of Inglewood to Consider Actions Associated with the Approval of the Proposed Disposition and Development Agreement Between the City of Inglewood and K.P. Auto Center L.P. for the Development of Auto Related Uses on the Property Located at the Southwest Corner of Olive Street and Glasgow Avenue in the Merged Inglewood Redevelopment Project Area (La Cienega)**

RECOMMENDATION

It is recommended that the Mayor and Council Members conduct a public hearing to consider the following actions:

1. Adopt the attached resolution certifying the K.P. Auto Center L.P. Mitigated Negative Declaration (Attachment 1)

2. Approve the Disposition and Development Agreement (Agreement) between the City of Inglewood (City) and K.P. Auto Center L.P. (Developer) disposing of the properties located at the Southwest corner of Olive Street and Glasgow Avenue for $1,300,000. (Attachment 2)

3. Adopt the attached resolution approving the Disposition and Development Agreement between the City of Inglewood and K.P. Auto Center L.P. disposing of the properties located at the Southwest corner of Olive Street and Glasgow Avenue for $1,300,000. (Attachment 3)

BACKGROUND

The Inglewood Redevelopment City/Agency (Agency) received an unsolicited proposal from KP Auto Center L.P. (Developer) on August 17, 2009, to purchase city-owned property located at Olive Street and Glasgow Avenue within the Merged Inglewood Redevelopment Project Area (La Cienega). Beginning March 30, 2010, the developer and the City/ Agency have entered into three exclusive negotiating agreements for the development of the site. Those negotiations have been completed.

PH-2

The city-owned 2.72-acre parcel (Sales Parcel) would provide a link between the CarMax facility located at 8611 South La Cienega Boulevard and LAX Hyundai located at 970 West Manchester Boulevard. The Developer seeks City assistance in completing the Inglewood Automotive Center initially envisioned to stretch from La Cienega Boulevard to Isis Avenue. Presently, CarMax occupies 8.3 acres of the auto center and the Developer occupies and holds ownership to approximately 6.72 acres, of which 1.57 acres (Participating Parcel) are located adjacent to the City-owned Sales Parcel. The Participating Parcel and the Sales Parcel are collectively referred to as the Site, which totals 4.29 acres. The Sales Parcel would provide a connection between KP Properties and CarMax. With the addition of the City-owned property, the "Inglewood Auto Mall" concept would result in an approximately 17.72 acres of auto sales and related auto uses in that area.

In June 2011, the Developer was notified that CarMax had terminated its agreement with the Chrysler Dealership, located adjacent to the Project, at 8611 South La Cienega Boulevard. Subsequently, the Developer began negotiating with Chrysler to re-establish the dealership in an effort to retain the Chrysler dealership in the City of Inglewood. In July 2011, the Developer submitted a revised proposal and site design, incorporating a Chrysler Dealership which includes the construction of a one-story 10,000 square-foot building and the retrofitting of an existing 36,000 square-foot building used for automobile service and repair, as well as appropriate and necessary landscaping and parking (Project). If developed as proposed, the Inglewood Auto Mall would include the addition of both LAX Chrysler/Jeep/Dodge/Ram and LAX Hyundai.

The City's economist reviewed and evaluated the Developers original auto mall development proposal and the modified proposal. The analysis reviewed the potential for sales tax revenue to be generated by the project, and calculated the residual land value of the proposed project site. The City economist estimates the fair reuse value at $1.3 million.

DISCUSSION

The proposed Disposition and Development Agreement requires the City to sell the Sales Parcel to the Developer for a purchase price of $1.3 million for the purpose of developing an automobile sales and retail center, which will include the sale of certain ancillary auto parts, automobile parking and other automobile-related uses. After purchasing the Sales Parcel, the Developer will construct a 10,000 square foot building with a 2,000 square foot mezzanine and retrofit an existing 36,000 square foot building, both to be utilized for the aforementioned automobile-related uses (Project). The purpose of the Agreement is to effectuate the Redevelopment Plan (Redevelopment Plan) for the Merged Imperial-Prairie Redevelopment Project Area (Project Area).

The proposed development has the potential to create approximately 60 new jobs and generate approximately $310,000 in general fund revenue for the City of Inglewood. The development of the parcels will serve to meet the objectives of redevelopment by

concentrating actions on selected land assembly and development assistance for commercial and industrial development.

There is a known groundwater issue on the property. The Regional Water Quality Control board has ordered the city to conduct groundwater monitoring. The agreement provides for the City to continue paying for the ground water monitoring and any other required investigation associated with the groundwater.

The Summary Report (Exhibit A) has been prepared pursuant to California Health and Safety Code Section 33433. The report outlines the salient points of the agreement, which summarize the major responsibilities imposed on the Developer and the City by the Agreement, the cost of the project, and the estimated value of the interests to be conveyed at the highest use permitted under the Site's zoning. California Redevelopment Law (Health and Safety Code, sec 33433) requires that prior to the sale of land acquired with tax increment funds, the controlling legislative body, must first approve the sale by resolution after a public hearing.

An Initial Study and Mitigated Negative Declaration (EA-MND-2011-70) was prepared stating that the proposed project, as mitigated, will have no significant adverse impact on the environment. On December 27, 2011, a copy of the initial study and MND was mailed to the Los Angeles County Clerk for posting. A copy of the document has been noticed to be available for public review in the Planning Division office, fourth floor of City Hall.

ADDITIONAL CONSIDERATIONS
This agreement is authorized under the Cooperation Agreement between the City and the Agency providing for the City to carry out certain activities of the Agency approved on January 25, 2011, as amended by the First Amendment dated February 15, 2011 and the Second Amendment dated March 11, 2011

FINANCIAL/FUNDING ISSUES AND SOURCES
The Successor Agency will receive $1,300,000 in land sale proceeds.

DESCRIPTION OF ANY ATTACHMENT
Attachment 1– Section 33433 Report
Attachment 2 – Disposition and Development Agreement
Attachment 3 – Resolution Certifying Mitigated Negative Declaration
Attachment 4 – Resolution Approving the Disposition and Development Agreement

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION

This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Christopher Cain, Development Coordinator
Tracie Oaks, Senior Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita Cruz

Approved for Agenda

Inglewood

All-America City

2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: **January 31, 2012**

TO: **Mayor and Council Members**

FROM: **Community Development Department**

SUBJECT: **Consideration of Disposition and Affordable Housing and Development Agreement and Low and Moderate Income Housing Fund Loan Agreement Between City of Inglewood and Grevillea Housing L.P., Abode Communities, for the Construction of a 62-Unit Affordable Residential Project Located at 100 East Nutwood Street**

RECOMMENDATION

It is requested that the Mayor and Council Members take the following actions for the development of 62 units of affordable housing for property located at 100 East Nutwood Street:

1. Approve the Disposition and Affordable Housing and Development Agreement (DAHDA) between the City of Inglewood (City) and Grevillea Housing L.P., a company of Abode Communities Inc (Developer) for a sale price of $2,800,000 and a HOME-funded residual receipts loan for the $2,800,00 to be repaid over a 55-year term; and
2. Approve the Low and Moderate Income Housing Fund Loan Agreement (LMIHFLA)) for up to $8,284,419 in Set-Aside funds for gap financing assistance in the form of a residual receipts loan to be repaid over a 55-year term; and
3. Adopt the Categorical Exemption in compliance with the California Environmental Quality Act for the project; and
4. Adopt the resolution Approving the Disposition and Affordable Housing and Development Agreement; and
5. Adopt the resolution approving the Low and Moderate Income Housing Fund Loan Agreement to provide financial assistance up to $8,284,419, from the Housing Set Aside Funds; and
6. Adopt Resolution amending the budget for fiscal year 2011 – 2012.

BACKGROUND

Abode is a non-profit that consists of a development arm, an in-house architecture studio, a property management company and a resident services organization. Abode has been in business for 42 years, previously operating under the name The Los Angeles Community Design Center, and has experience developing over 50 affordable

CD-6

housing projects. Abode manages their own projects and provides social services support directly to all residents within their projects.

In February of 2011, Abode entered into a purchase agreement for the acquisition of the 1.14-acre site located at 100 East Nutwood Street for $2,800,000. In November of 2011, Abode completed that purchase of the site. On December 22, 2011, the City Council and Redevelopment Agency authorized the use of $2,800,000 in HOME funds to acquire the site from Abode and $5,760 to purchase the environmental studies completed for the property, authorizing a total of $2,805,760 in HOME funds. Additionally the City/Agency entered into an Exclusive Negotiating Agreement with Abode to continue negotiations relative to gap financing to be funded by housing set-aside funds.

The proposed project is an affordable workforce housing complex for moderate, low and very-low income households. Of the 62 units proposed, 61 units will be restricted as affordable units with one unit remaining unrestricted for use as a manager unit. The current proposal includes 36 two-bedroom units and 26-three bedroom units. The units will be restricted to very-low, low and moderate income households with one un-restricted unit reserved for the on-site manager. The proposed unit sizes are 1,100 square feet for the three bedroom units and 950 square feet for the two bedroom units. The project includes 71 subterranean parking spaces and 64 at-grade podium parking spaces.

The rents applied to all the units reflect the most restrictive requirements imposed by the proposed funding sources. The various rents for 2011, net the appropriate utility allowance, are estimated as follows: (rents for 2012 have not been released)

Table-1

2011Rent Restrictions

	[1]CRL Rents	[2]TCAC Rents	[3]HOME Rents	Applicable Rents
Two Bedroom Units				
Very-Low Income	$663	**$512**	$891	$512
Low Income	$807	**$702**	$891	$702
Low Income	$807	**$796**	$891	$796
Moderate Income	$1527	**$1,081**	$1,170	$1,081
Three-Bedroom Units				
Very-Low Income	$731	**$588**	$1,027	$588
Low Income	$891	**$808**	$1,027	$808
Low Income	**$891**	$917	$1,027	$891
Moderate Income	$1,691	**$1,246**	$1,340	$1,246

[1]California Housing and Community Development Department
[2]California Tax Credit Allocation Committee
[3]United States Department of Housing and Urban Development

The table below identifies the affordability mix by bedroom and the applicable 2011 rents. These rents will be adjusted annually.

Table-2

Affordability Mix and rents			
Affordability Levels	**2-bdrm**	**3-bdrm**	**Total Number of Units**
Number of Very Low-Income Rents	2 $512	5 $558	7
Number of Low Income Rents	3 $702	4 $808	7
Number of Low Income Rents	27 $796	12 $891	39
Number of Moderate Income Rents	3 $1,081	5 $1,246	8
Unrestricted Management	1		1
Total Number of Units	36	26	62

The project site is adjacent to a city park where public art is the focus. It is the intent of the developer to create a design that interfaces with the park. The estimated KMA development cost of this project is outlined in Table 3. The Developer estimates that amount to be $28,392,419.

Table-3	
Development Costs Per KMA	
Land Assembly	$3,353,000
Direct Building Costs	$18,571,000
Indirect Building Costs	$4,785,000
Total Financing Costs	$1,448,000
Total Development Costs	**$28,157,000**

The project fulfills all of the requirements of the affordable housing exemption set forth in Public Resources Code Sections 21159.21 and 21159.23(a). Subsequent to approval of the Low and Moderate Income Housing Fund Loan Agreement, the notice of exemption will be filed with the Los Angeles County Recorders Office.

DISCUSSION

Abode Communities has requested the City to provide financial assistance to facilitate the development of a 62-unit residential affordable housing project. A financing structure was presented to the City that was reviewed by the City's outside economist Keyser Marston and Associates (KMA). The KMA analysis determined that the financial

assistance was justifiable up to the amount of $11,084,419. Upon approval of the financial assistance, staff was directed to prepare the necessary agreements needed to implement the project. The source of financial assistance approved included $8,284,419, of housing set-aside funds and $2,800,000, of HOME funds. Home funds will be provided in the form of an acquisition loan.

Because of the two distinct funding sources, two agreements have been prepared to implement and fund this project, the DAHDA and the LMIHFLA. The LMIHFLA agreement regulates the 46 Set-Aside funded units that will be designated within the site. The remaining 16 units will be governed by DAHDA. Promissory notes have been prepared in the form of residual receipt notes with a term of 55 years and 3% interest. Payments for the notes will be determined annually after review of the project audited financial statements. Any outstanding balance for both loans at the end of 55 years will be due and payable to the City.

The Developer will also be applying to the California Tax Credit Allocation Committee (TCAC) for tax credits. The Developer has calculated that the project can receive net tax credit proceeds of $14,205,841 and $610,000 in Federal Home Loan Bank/Affordable Housing Funds. This brings the total available sources of funding for the project to $28,157,000. The developer has requested an additional $235,419 above that calculated by KMA. KMA has concluded that given the differential is only 2% the request is warranted. It is anticipated that since there may be fewer tax credit applications there may be more tax credits available to this project. The Developer will be required to resubmit an updated project proforma to evaluate the funds actually needed. The proposed financing for the project is outlined in Table 4 as provided for in the KMA analysis:

Table-4	
Proposed Financing	
Funding Source	**Amounts**
Permanent Loan	$ 2,776,000
*Housing Set-Aside Funds –KMA analysis	$ 8,049,000
HUD HOME Funds	$ 2,800,000
Affordable Housing Funds	$ 610,000
Tax Credit Equity	$13,922,000
Total Potential Funding Sources KMA	**$28,157,000**
Additional Developer Request for Set-Aside	$235,419
Housing Set-Aside Funds –KMA analysis	$ 8,049,000
Total Warranted City Request	$8,284,419
Total Potential Funding Sources	**$28,392,419**

ADDITIONAL CONSIDERATIONS

This agreement is authorized under the Cooperation Agreement between the City and the Agency providing for the City to carry out certain activities of the Agency

approved on January 25, 2011, as amended by the First Amendment dated February 15, 2011 and the Second Amendment dated March 11, 2011.

FINANCIAL/FUNDING ISSUES AND SOURCES
Approval of this project will assist the expenditure of $8,824,419 of the set-aside funds, assisting the City in meeting it's very low, low income and moderate expenditure requirements. A Resolution amending the 2011-2012 budget is also being presented.

DESCRIPTION OF ANY ATTACHMENTS (attachments forthcoming)
Attachment 1 - Disposition and Affordable Housing and Development Agreement
Attachment 2 - Resolution Approving the Disposition and Affordable Housing and Development Agreement
Attachment 3 - Low and Moderate Income Housing Fund Loan Agreement
Attachment 4 - Resolution approving the Low and Moderate Income Housing Fund Loan
Attachment 5 - Resolution amending the budget for fiscal year 2011 – 2012.
Attachment 6 - Categorical Exemption
Attachment 7 – January 26, 2012, KMA Analysis

LEGAL REVIEW VERIFICATION CDS
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION _____
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Pamela Thigpen, Grants Manager
Margarita Cruz, Redevelopment Manager

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager
Pamela Thigpen, Grants Manager

PROOFREAD FOR ACCURACY: _____

Approved for Agenda

Inglewood All-America City 2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: January 30, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Owner Participation Agreement and Consideration of an $18,000,000 Commercial Rehabilitation Loan to Renovate the Forum

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RECOMMENDATION

It is recommended that the Mayor and Council Members approve an Owner Participation Agreement (OPA) between the City of Inglewood, MSG Forum, LLC (MSG), and The Forum Enterprises, Inc., (FEI), which provides for a commercial rehabilitation loan of $18,000,000 (eighteen million dollars) to assist MSG in the rehabilitation and renovation of the Forum.

BACKGROUND

FEI currently holds title to the property located at 3900 West Manchester Boulevard, commonly known as the Forum. Historically, the Forum was one of Southern California's leading sports and entertainment venues, considered to have the highest level of acoustics for an entertainment venue of its size. Since the opening of the Staples Center over a decade ago, the number of events held at the Forum has dropped significantly, which has contributed to a reduction in Forum activity and revenues. Additionally, the building suffers from deferred maintenance and is in need of significant repair and upgrades. Fortunately, the Forum's acoustics for concerts continues to remain at a high level. (better than other venues of its size) The property was put up for sale and has attracted Madison Square Garden Entertainment as a buyer. FEI and MSG have entered into a purchase agreement whereby on the terms and subject to the conditions contained therein, MSG would purchase the Forum. MSG has come to the City seeking financial assistance to help fund a portion of the proposed renovation and offset the required upgrades and deferred maintainance issues that need to be addressed at the Forum.

Providing MSG with this loan would be an important step forward in ensuring Inglewood advances a critical project in our city's revitalization effort. While several steps must be resolved before the project can be finalized, we are confident that both parties are committed to working through remaining issues with the hope that a final deal can be reached that is in the best interests of our city.

While several of the key project benefits are outlined later in the document, highlights include:

CD-1, R-2

- $85M potential investment in the Forum, including the purchase price;
- Estimated $26M in General Fund revenues to the City over the next 30 years;
- An increase in property tax revenues to be shared by various taxing entities including the City;
- Creation of 328 FTE jobs during the construction;
- An increase of 260 FTE jobs annually, once it is operating; and,
- While details will be confirmed over the coming months, the City will be able to utilize the Forum for a variety of community events rent free on an annual basis.

The Madison Square Garden Company

The Madison Square Garden Company is one of the country's leaders in live entertainment and is recognized for its signature combination of event production, entertainment marketing and iconic venues. MSG creates, produces and presents a variety of live productions. Madison Square Garden Entertainment has presented over 1,000 concerts, family shows and special events to over five (5) million people each year at a diverse collection of venues including Madison Square Garden, Radio City Music Hall, and The Theater at Madison Square Garden, the Beacon Theatre, The Chicago Theatre and the Wang Theatre in Boston. Its purchase of the Forum will provide MSG with its first opportunity to create a west coast venue presence.

- Madison Square Garden has a proven record of success in refurbishing classic buildings and transforming them into tremendously successful state-of-the-art venues that command talent and customers – with Radio City Music Hall, the Beacon Theatre and currently, Madison Square Garden in New York.
- Once they began operating the Beacon Theater, the Chicago Theatre and the Wang Theatre in Boston – these venues experienced phenomenal growth -- (Beacon 36%), Chicago (49%), Wang (287%). They would bring this unparalleled level of expertise and success to the Forum.

MSG's Vision for the Forum

Should this project move forward, MSG plans to leverage its expertise in the world of live entertainment and work with a variety of promoters and artists to bring top talent back to the Forum, returning it to its status as a world-class entertainment venue. MSG plans to utilize the strength of its relationships with artists, promoters and managers, its live event expertise, as well MSG Media assets, including its national music network, Fuse, to create performance, promotion and distribution opportunities that will serve as a compelling inducement for artists to perform at the Forum.

It is anticipated that MSG's expertise and competitive advantages will drive concert growth in a way that will allow the Forum to recapture its rightful place in the Los Angeles/Southern California concert market. MSG projects that upon completion of the renovation, the Forum could attract a minimum of 300,000 attendees at a minimum of 40 events per year, including concerts, family shows, award shows and other special

events. There are very few entities that have the capacity and expertise to return the Forum back to a first-class concert venue.

MSG's vision for the Forum involves creating a unique concert experience for artists and fans. After the proposed renovation, the Forum will have the sophisticated look, feel and ambiance of an intimate theatre, but on a much larger scale. MSG would be required to submit plans to the City for approval as part of the permitting process, giving the City the ability to ensure that a quality project would be established at the subject site. Specific improvements include the following:

- Parking lot upgrades and repairs;
- Renovated Forum Club;
- New dressing rooms for artists;
- Renovated concourses with new flooring, lighting, and painted walls and ceilings;
- New and renovated bathrooms;
- American with Disabilities Act (ADA) accessibility upgrades including new ADA restrooms and an ADA-upgraded east elevator;
- Renovated and new hospitality/concession areas;New north and west elevators;
- Renovated north terrace;New roof - HVAC (heating, ventilation, and air conditioning) and MEP (mechanical, electrical, and plumbing) upgrades;
- Painted exterior;
- Life safety system upgrades;
- New upholstered seats;
- New flooring; and,
- Upgraded lighting.

DISCUSSION

To complete the renovation, MSG has submitted a request to the City for financial assistance. The terms for financial assistance now being presented are the culmination of a lengthy process that started approximately 10 months ago. Those negotiations have concluded and deal points have been developed to the satisfaction of the City's negotiating team and MSG. Absent the rehabilitation loan, the renovation would not be economical and the Forum would remain in disrepair. The Rehabilitation Loan will be used to ensure the Forum is competitive and a leader among concert venues within the Los Angeles area.

In order for MSG to receive the loan, MSG must first purchase the Forum and expend at least $50,000,000 (fifty million dollars) in rehabilitation of the Forum. The loan will be for a period of ten years. At the end of loan year five, $9,000,000 (nine million dollars) of the loan will be forgiven. At the start of loan year six through loan year ten, the remaining loan balance (plus accrued interest at three percent per annum) will be forgiven in 20% increments annually. Therefore, if the Forum remains in operation for the duration of the term of the entire loan, the loan is forgiven at the end of year ten.

After execution of the documents, the $18,000,000 loan amount will be placed into escrow and released upon MSG meeting certain conditions described above. The loan repayment obligation will be secured by a Deed of Trust to be executed upon release of funds to MSG from escrow. FEI will be a party to the OPA as property owner and will be automatically released from the OPA upon the completion of the purchase by MSG. Each party will have the option to terminate the agreement without liability if MSG doesn't buy the Forum by July 1, 2012. The complete renovation of the Forum is expected to occur no later than October 31, 2015, subject to MSG receiving all required city approvals by August 13, 2013. A Use Restriction Covenant for a term of 30 years will be placed on the property.

The source for funds for this loan will come from taxable tax increment as follows.

Table 1

Source	**Amount**
Series 2007 A-T Bond Proceeds	$6,623,560
Reallocated Excess Funds	$6,317,420
5% Exception funds	$3,127,868
Taxable Reserve Fund	$1,931,152
Total	$18,000,000

It is anticipated that this project will generate significant revenues to the City's General Fund. Conservative estimates indicate that the City will receive approximately $16.1M in General Fund revenues over the next 20 years or approximately $26.1M over the next 30 years. Such revenues will include admission taxes on ticket sales, sales taxes on food and beverage and merchandise sales and parking taxes. For example, if parking for a concert costs $25, the city will receive $2.50 Additionally, the City will receive $0.89 per ticket sold in admission tax revenue. It has also been estimated that the permit costs to renovate the Forum will be approximately $1,490,000.

Other benefits to the City of Inglewood include the creation of 328 FTE jobs during construction. These jobs will be paid prevailing wage rates and there will be a requirement to initiate local hiring initiatives for Inglewood residents and buy supplies from Inglewood businesses. Once the Forum is operating they project an increase of 260 FTE jobs in the City and are making commitments on local hiring initiatives so that many of these jobs will go to Inglewood residents.

In consultation with the City and subject to its review, after purchasing the property, MSG will prepare, initiate and fund a Workforce Outreach Coordination Program (the "WOCP") in the aggregate amount of $250,000, over a period of two (2) years, starting from the effective date of the project. Funding for the WOCP shall include the costs of outreach and marketing, and the retention of a qualified Workforce Outreach Coordinator.

Additionally, MSG will work closely with a non-profit charity called the Garden of Dreams Foundation, which is based in New York, whose mission is to enhance the lives

of children facing obstacles. Through the Garden of Dreams Foundation MSG will work towards becoming part of the fabric of the Inglewood community.

As the lead agency for purposes of the California Environmental Quality Act (CEQA), City staff has determined that: (i) the proposed rehabilitation and renovation of the Forum qualify for a CEQA Categorical Exemption per Class 1 (Existing Facilities); and Class 23 - Normal Operations for Facilities for Public Gatherings exemptions found in Section 15300 of the CEQA Guidelines; and (ii) none of the possible exceptions to Categorical Exemptions found in Section 15300.2 of the CEQA Guidelines apply to the rehabilitation and renovation of the Forum. Specifically, City staff has determined that the proposed rehabilitation activities are consistent with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, and therefore will not cause a substantial adverse change in the significance of an historical resource if the subject Site were determined to be such an historical resource.

ADDITIONAL CONSIDERATIONS

This loan is being provided as a commercial rehabilitation loan as allowed under the Cooperation Agreement between the City and the Agency. The Cooperation Agreement provides for the City to carry out certain activities of the Agency. The Cooperation Agreement was approved on January 25, 2011, and was amended by the First Amendment dated February 15, 2011, and the Second Amendment dated March 11, 2011.

FINANCIAL/FUNDING ISSUES AND SOURCES

As stated earlier in the report, funds from the loan will be from the unobligated tax increment account.

DESCRIPTION OF ANY ATTACHMENTS

Attachment 1: Owner Participation Agreement
Attachment 2: Resolution

EXHIBITS

EXHIBIT A	–	LEGAL DESCRIPTION OF SITE
EXHIBIT B	–	SCHEDULE OF PERFORMANCE
EXHIBIT C	–	SCOPE OF WORK AND PROJECT BUDGET
EXHIBIT D	–	FORM OF AGREEMENT CONTAINING USE COVENANTS
EXHIBIT E	–	FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT
EXHIBIT F	–	FORM OF RELEASE OF CONSTRUCTION COVENANTS
EXHIBIT G	–	RESERVED
EXHIBIT H	–	EMPLOYMENT AND TRAINING REQUIREMENTS
EXHIBIT I	–	PLANS
EXHIBIT J	–	FORM OF PROMISSORY NOTE
EXHIBIT K	–	FORM OF DEED OF TRUST

LEGAL REVIEW VERIFICATION CPS
This report, in it's entirely, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report, in it's entirely, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY:

12-007

CITY'S ORIGINAL

OWNER PARTICIPATION AGREEMENT

by and among

THE CITY OF INGLEWOOD,

a municipal corporation,

"City"

and

THE FORUM ENTERPRISES, INC,

a Delaware corporation

"FEI"

and

MSG FORUM, LLC,

a Delaware limited liability company,

"Participant"

TABLE OF CONTENTS
(continued)

Article I SUBJECT OF AGREEMENT 3
1.1 Definitions 3
1.2 Purpose of the Agreement 7
1.3 The Redevelopment Plan 7
1.4 The Site 7
1.4.1 Condition of Site 7
1.5 Parties to the Agreement 8
1.5.1 City 8
1.5.2 MSG 8
1.5.3 FEI 8
1.5.4 Participant 8

Article II LOAN 8
2.1 City Loan for Rehabilitation 8
2.2 Loan 8
2.3 Release of Loan 8
2.4 Audit and Review of Participant's Investment 9
2.5 Non-Release of Loan to Participant 9

Article III DEVELOPMENT AND USE OF THE SITE 9
3.1 The Site 9
3.2 Development and Rehabilitation of the Site. 9
3.2.1 General 9
3.2.2 Closing 10
3.2.3 Cost of Development and Rehabilitation 10
3.2.4 Schedule of Performance 10
3.3 Plan Submission, Review and Approval 11
3.4 Rights of Access 11
3.5 City Disclaimer 11
3.6 Preferences 11
3.7 Prevailing Wage Requirements 12
3.8 Compliance with Laws 13
3.9 Maintenance of the Site 13
3.10 Nondiscrimination; Equal Opportunity 14
3.11 Obligation to Refrain from Discrimination 14
3.12 Effect and Duration of Covenants 14
3.13 Agreement Regarding Use Covenants 14
3.14 Taxes, Assessments, Encumbrances, and Liens 14
3.15 Prohibition on Assignment and Transfer 15
3.16 Permitted Transferee 15
3.17 Effect of Transfer without City Consent 16
3.18 Recovery of City Costs 16

TABLE OF CONTENTS
(continued)

3.19 Lender Obligations and Protections 16
3.20 Release of Construction Covenants 17

Article IV DEFAULTS, REMEDIES AND TERMINATION 18
4.1 Event of Participant Default 18
4.2 City Default 18
4.3 Remedies 19
4.4 Acceptance of Service of Process 19
4.5 Remedies Cumulative; No Consequential Damages 19
4.6 Effect of Default 19

Article V INSURANCE and indemnification 19
5.1 Insurance 19
5.2 Indemnification 21
5.3 Indemnification Procedures 22

Article VI MISCELLANEOUS 23
6.1 Notices 23
6.2 Non-liability of Officials and Employees 24
6.3 Estoppel Certificates 24
6.4 MSG's Warranties and Representations, as Participant 25
6.5 FEI's Warranties and Representations, as Participant 25
6.6 Time of the Essence; Calculation of Time Periods 25
6.7 Enforced Delay; Extension of Times of Performance 26
6.8 Attorneys' Fees 26
6.9 Authority to Execute Agreement 26
6.10 Advice of Counsel 26
6.11 No Third Party Beneficiaries 26
6.12 Survival 26
6.13 Calendar Days 27
6.14 Effective Date 27
6.15 Construction 27
6.16 Action or Approval 27
6.17 Entire Agreement 27
6.18 Counterparts 27
6.19 Severability 27
6.20 Waiver; Remedies Cumulative 27
6.21 Parties Not Co-Venturers 28
6.22 Governing Law; Venue 28
6.23 Term of Agreement 28
6.24 Construction of Agreement 28
6.25 City Liability Limitation 28

TABLE OF CONTENTS
(continued)

EXHIBITS

EXHIBIT A	–	LEGAL DESCRIPTION OF SITE
EXHIBIT B	–	SCHEDULE OF PERFORMANCE
EXHIBIT C	–	SCOPE OF WORK AND PROJECT BUDGET
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E. Section 329 of the Redevelopment Plan specifically authorizes the Agency (and through the Cooperation Agreement, the City) to "advise, encourage, and assist (through a loan program or otherwise) in the rehabilitation and conservation of property in the Merged Project Area not owned by the Agency." In order to facilitate the rehabilitation and restoration of the Site, Participant has requested, and City desires to provide certain financial assistance to Participant in connection with the rehabilitation of the Site; pursuant to which, Participant shall provide for the rehabilitation and restoration of the Forum by providing for the rehabilitation, renovation and development, as applicable, of the Rehabilitation Improvements (as defined in this OPA) necessary to operate the Forum as a large state-of- the- art venue. The City has determined that the revitalization of the Forum is important to the economic vitality of the City. The rehabilitation and modernization of the Forum, and the resulting attractiveness of the City as an entertainment destination, will serve as a focus for development throughout the City and assist in the attainment of the City's economic development goals. The jobs and new revenues expected to be generated by the rehabilitated Forum will be a substantial public benefit that exceeds the City's contemplated investment.

F. The Forum could be considered an historical landmark and has been used as a large-scale venue since its completion in the late 1960's. More than a decade ago the major sports teams that occupied the Forum departed from the City, causing the economic and other public benefits previously associated with the operation of the Forum to be diminished. As such, the City has determined that the purposes of the Redevelopment Plan, and the City's goals and objectives as articulated in the General Plan, can be achieved by encouraging the productive renovation and operation of the Forum, and securing a major private investment in excess of and in conjunction with the City's proposed financial assistance, so that the Forum might be preserved and reestablished as a catalyst for the economic revitalization of the City. In this regard, the Parties have identified a need within the Inglewood community for a large state-of-the-art venue serving the City of Inglewood and surrounding communities. To ensure its competitiveness with other venues in Southern California, the Parties acknowledge and agree that the Forum requires significant rehabilitation and restoration, which due to the fact the Forum could be considered historic, should be undertaken in accordance with the terms and conditions of this OPA and the Secretary of the Interior's Standards for Rehabilitation to avoid any adverse impacts. The rehabilitation and conservation of the Forum, and remediation of certain environmental conditions, will result in a state-of-the-art venue that will provide a source of new jobs and revenue to the City, revitalize an underutilized civic asset, and upgrade the existing recreational and event activities provided by the Forum.

G. The City has determined that development of the Site pursuant to this OPA is consistent with the Redevelopment Plan and the Implementation Plan for the Project Area and the Cooperation Agreement, and will be of benefit to the City and the Project Area.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above which are incorporated in this OPA by reference and the mutual covenants and agreements described below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City, FEI and MSG hereby agree as follows:

ARTICLE I
SUBJECT OF AGREEMENT

1.1 Definitions. For purposes of this OPA, capitalized terms have the following meanings.

"**Affiliate**" means (1) any Person directly or indirectly controlling, controlled by or under common control with another Person; (2) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other Person; or (3) if that other Person is an officer, director, member or partner, any company for which such Person acts in any such capacity. The term "control" as used in the immediately preceding sentence shall mean the power to direct the management or the power to control election of the board of directors (or similar governing body).

"**Agency**" is defined in Recital A.

"**Agreement Regarding Use Covenants**" means that certain Agreement Regarding Use Covenants attached hereto as Exhibit D and incorporated in this OPA by this reference.

"**Applicable Permits**" means building permits and all other permits and approvals necessary to begin construction of the Rehabilitation Improvements.

"**CEQA Guidelines**" means the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*; California Code of Regulations, Title 14, Sections 15000 *et seq.*), as amended from time to time.

"**Challenge**" means the filing of a petition for writ of mandate, complaint, or other legal challenge in state or federal court seeking to overturn, modify, or annul the Project, the Cooperation Agreement, this OPA, or any other document related thereto or any other approvals related to the Rehabilitation Improvements.

"**City**" means the City of Inglewood, State of California.

"**City Council**" is defined in Recital A.

"**City Indemnified Parties**" shall refer collectively to the City and its respective elected officials, officers, employees, agents, consultants, and attorneys, and all of their respective successors and assigns.

"**City Manager**" means the City Manager, or his or her designee.

"**Claims**" is defined in Section 5.2.

"**Closing**" means the acquisition of fee title to the Site by MSG in accordance with the Purchase Agreement.

"**Codes**" means the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the

California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, encroachment or other construction permits for the Public Improvements.

"**Completion**" means the point in time when all of the following shall have occurred: (1) issuance of a temporary certificate of occupancy for the Project by the City; (2) Participant shall have provided the Agency with either: (a) a copy of the notice of substantial completion of the Public Improvements in accordance with the Plans and Scope of Work (with the exception of minor "punchlist" items) under the applicable contract from the contractor or architect undertaking the Public Improvement for the Participant or (b) a certification from an officer of the Participant that the construction of the Public Improvements has been substantially completed in accordance with Plans and Scope of Work (with the exception of minor "punchlist" items); and (3) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against of any mechanic's liens that have been filed in the Official Records or stop notices that have been delivered for the Project.

"**CRL**" means Division 24, Part 1 of the Health and Safety Code of the State of California, beginning at Section 33000.

"**Development Agreement**" means that certain development agreement to be entered into by and between the City and the Participant (as "Landowner" under the Development Agreement) pursuant to Government Code Section 65864 *et seq.* that provides for the use and operation of the Project.

"**Documented Costs**" means copies of executed contracts, professional services agreements, checks, invoices, receipts, conditional lien waivers, and other reasonably acceptable information delivered to the Agency documenting the hard and soft costs (including transaction costs, but excluding the purchase price under the Purchase Agreement) spent in connection with the development of the Public Improvements as provided in the Scope of Work.

"**Effective Date**" means January 30, 2012.

"**Employment and Training Requirements**" means Agency's policy regarding employment and training, as applicable to this Project, attached to this OPA as Exhibit H, which is incorporated herein by this reference.

"**Environmental Law**" means any federal, state or local law, ordinance, rule, or regulation, now or hereafter enacted, amended or modified, in each case to the extent applicable to the Site including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 *et seq.*); the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 *et seq.*); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 *et seq.*); Sections 25117, 25281, 25316 or 25501 of the California Health & Safety Code; any so called "Superfund" or "Superlien" law; the Toxic Substance Control Act of 1976 (15 U.S.C. Section 2601 *et seq.*); the Clean Water Act (33 U.S.C. Section 1251 *et seq.*); and the Clean Air Act (42 U.S.C. Section 7901 *et seq.*).

"**Escrow**" is defined in Section 2.2.

"**Event of City Default**" is defined in Section 4.1.

"**Event of Participant Default**" is defined in Section 4.1.

"**FEI**" is defined in Section 1.5.3.

"**Forum**" is defined in Recital C.

"**Hazardous Materials**" means (a) any pollutants, toxic pollutants, oil, gasoline, petroleum products, asbestos, materials or substances containing asbestos, explosives, chemical liquids or solids, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other solid, liquid or other emission, substance, material, product or byproduct defined, listed or regulated as a hazardous, noxious, toxic or solid substance, material or waste or defined, listed or regulated as causing cancer or reproductive toxicity, or otherwise defined, listed or regulated as hazardous or toxic in, pursuant to, or by any Environmental Law; (b) any substance which is or contains asbestos, radon, polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, lead paint, motor fuel or other petroleum hydrocarbons; and (c) fungus, mold, mildew, or other biological agents the presence of which materially adversely affect the health of individuals or other animals.

"**Indemnification Claim**" is defined in Section 5.3.

"**Lender**" means the holder of the beneficial interest under a Mortgage, or the owner of the Site, or interest therein, under a Mortgage.

"**Loan**" is defined in Section 2.2.

"**Losses**" is defined in Section 5.2.

"**MSG**" is defined in Section 1.5.2.

"**MSG Parent**" means MSG Holdings, L.P., a Delaware limited partnership.

"**Mortgage**" is defined in Section 3.19.

"**Official Records**" means the Official Records of the Office of the County Recorder for Los Angeles County, California. For purposes of this OPA, "recordation" shall refer to the filing of any instrument in the Official Records.

"**OPA**" is defined in the preamble.

"**Outside Date**" is defined in Section 3.2.4.

"**Participant**" is defined in Section 1.5.4.

"**Party**" is defined in the first paragraph of this OPA.

"**Permitted Delay**" is defined in Section 6.5.

"**Permitted Transferee**" is defined in Section 3.16.

"**Permitted Transfer**" shall mean a Transfer involving any of the following, *provided* in the case of clauses a. through c. below that Participant retains day to day control over management of the Site and the Project:

a. Any Mortgage;

b. A conveyance of a security interest in the Site in connection with any Mortgage and any transfer of title by foreclosure, deed or other conveyance in lieu of foreclosure in connection with or following the same;

c. The granting of easements, licenses or permits to facilitate the Completion of the Project or the use or operation of the Site in accordance with this OPA;

d. A Transfer to a "Permitted Transferee";

e. A Transfer to an Affiliate of The Madison Square Garden Company, *provided* that such Affiliate agrees in writing to be bound by the terms and conditions of this OPA as Participant.

Any transfer described in clauses a. through d., inclusive, shall be subject to the reasonable approval of documentation by the City. In addition, the City reserves the right to require where deemed appropriate by the City, as a condition precedent to any Permitted Transfer pursuant to clauses d. and e. the execution of the Assignment and Assumption Agreement in the form attached hereto as Exhibit E.

"**Person**" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

"**Plans**" mean the plans and drawings attached hereto as Exhibit I as updated through the normal course of construction.

"**Prevailing Wage Law**" is defined in Section 3.7.

"**Project Area**" is defined in Recital A.

"**Project Budget**" means the initial budget attached to this OPA as Exhibit C, which is incorporated in this OPA by this reference.

"**Project**" means the acquisition of the Site and the Completion of the Rehabilitation Improvements on the Site by Participant.

"**Promissory Note**" means the promissory note evidencing the Loan, substantially in the form attached as Exhibit J.

"**Purchase Agreement**" means that certain Asset Purchase Agreement dated August 12, 2011 by and between MSG, MSG Parent and FEI, as amended.

"**Redevelopment Plan**" is defined in Recital A.

"**Rehabilitation Improvements**" means the conservation, enhancement, renovation, restoration, remediation and rehabilitation of the Site in accordance with this OPA and the Secretary of Interior's Standards for the Rehabilitation of Historic Structures.

"**Release of Construction Covenants**" is defined in Section 3.20.

"**Schedule of Performance**" means the Schedule of Performance attached to this OPA as Exhibit B.

"**Scope of Work**" means the Scope of Work attached to this OPA as Exhibit C.

"**Site**" is defined in Recital C.

"**State**" means the State of California.

"**Transfer**" means any assignment or transfer of this OPA or any interest in this OPA, any conveyance of the Site or any property interest therein, or any change of control of Participant, *provided* that a change of control of The Madison Square Garden Company or MSG Parent or any sale of all or substantially all the assets of the entertainment division of The Madison Square Garden Company shall not constitute a change of control of Participant.

1.2 Purpose of the Agreement. The purpose of this OPA is to effectuate the Redevelopment Plan by facilitating the conservation, rehabilitation, restoration and redevelopment of the Site for use as a state-of-the-art venue. Completion of the Rehabilitation Improvements pursuant to this OPA, and the fulfillment generally of this OPA, are in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

1.3 The Redevelopment Plan. This OPA is subject to the provisions of the Redevelopment Plan. The Redevelopment Plan is incorporated in this OPA by reference and made a part of this OPA as though fully set forth in this OPA.

City hereby finds and declares that the development of the Rehabilitation Improvements on the Site as contemplated by this OPA is consistent with the Redevelopment Plan.

1.4 The Site. The Site is described in the "**Legal Description**" attached hereto and incorporated by reference in this OPA as Exhibit A. The Site is located within the Project Area, and is bounded by W. Manchester Boulevard to the north, Kareem Court to the east, Pincay Drive to the south, and S. Prairie Avenue to the west.

1.4.1 Condition of Site. The City makes no representation or warranty, express or implied, regarding any conditions of the Site or the improvements thereon. Participant, at its own expense, shall have the sole responsibility to investigate and determine all conditions of the Site and the improvements thereon as well as their suitability for the uses to which the Site is to be put in accordance with this OPA. If the conditions of the Site are not in all respects entirely

suitable for the use or uses to which the Site will be put, then Participant shall have the responsibility and obligation, without cost to the City, to take or cause such action as may be necessary under applicable Environmental Laws to place the Site in all respects in a condition entirely suitable for its development and use in accordance with this OPA.

1.5 Parties to the Agreement.

1.5.1 City. means the City of Inglewood, a charter city, and any assignee of, or successor to, its rights, powers and responsibilities.

1.5.2 MSG. means MSG Forum, LLC, a Delaware limited liability company, and any permitted transferee, assignee of or successor to MSG's rights, powers and responsibilities permitted by this OPA.

1.5.3 FEI. means The Forum Enterprises, Inc., a Delaware corporation and any permitted transferee, assignee of or successor to its rights, powers and responsibilities.

1.5.4 Participant. means, collectively, MSG and FEI.

ARTICLE II
LOAN

2.1 City Loan for Rehabilitation. In accordance with the purposes of the Redevelopment Plan and in exercise of certain redevelopment implementation activities pursuant to the Cooperation Agreement, the City shall make a Loan to facilitate the rehabilitation of the Site by the Participant, who shall commit funds in an amount of not less than Fifty Million Dollars ($50,000,000) for Completion of the Rehabilitation Improvements on the Site, in accordance with the requirements of this OPA.

2.2 Loan. Concurrently with the City's execution of the OPA, the City shall be obligated to make a loan in the amount of Eighteen Million Dollars ($18,000,000) (the "**Loan**") to Participant, to fund or reimburse Participant or MSG (as determined by MSG) for the rehabilitation of the Site by Participant. The Loan shall be placed into an escrow account (the "**Escrow**") with First American Title Insurance Company (Escrow #524761) within one (1) business day of the Effective Date, and shall be released to Participant pursuant to and in accordance with the terms of a mutually agreed-upon escrow agreement (the "**Escrow Agreement**") and Section 2.3. The cost of the Escrow shall be paid for by MSG, as Participant. The City may retain any interest on the Loan that accrues in the Escrow, *provided* that if there is a dispute as to the release of monies from Escrow, the party prevailing in such dispute shall be entitled to any interest accrued on the Loan from and after the date of such dispute.

2.3 Release of Loan. Escrow shall not be obligated to make any disbursement of the Loan prior to Completion of the Rehabilitation Improvements. Upon Completion and execution of the Promissory Note and recordation of the Deed of Trust, the City will cause the release of one hundred percent (100%) of the Loan to Participant or MSG (as determined by MSG) from Escrow *provided* MSG, as Participant, has delivered to Escrow the following documentation:

a. Written notice specifying that Completion of the Rehabilitation Improvements has occurred.

b. Wiring instructions and details of a designated account of the Participant to which the Loan shall be wired.

c. (i) A letter signed by MSG, as Participant, certifying to the Escrow holder that MSG, as Participant, has delivered to City the Documented Costs required by Section 3.2.1 of this OPA, together with (ii) an acknowledgment from City (which may be in the form of an e-mail) that City has received such delivery.

d. The executed Promissory Note.

e. The executed Deed of Trust.

2.4 Audit and Review of Participant's Investment. City reserves the right from time to time, upon reasonable notice and request, to receive from Participant the Documented Costs verifying the amount of Participant's investment in the Rehabilitation Improvements.

2.5 Non-Release of Loan to Participant. Notwithstanding anything contained in this OPA to the contrary, City shall have no obligation to cause the release of the Loan in whole or in part to Participant as provided in Section 2.2 or 2.3, upon an Event of Participant Default under Section 4.1(c) resulting from any failure by Participant to comply with Section 3.2.1 of this OPA (after the expiration of all notice and cure periods).

ARTICLE III
DEVELOPMENT AND USE OF THE SITE

3.1 The Site. MSG, as Participant, represents and warrants that as of the Effective Date: (a) MSG is under contract to purchase the Site pursuant to and subject to the terms and conditions of the Purchase Agreement and as of the Closing shall own the Site, and (b) MSG, as Participant, is not otherwise aware of any covenant, condition, restriction or agreement that would prevent the development of the Rehabilitation Improvements in accordance with this OPA. FEI, as Participant, represents and warrants that as of the Effective Date it is not aware of any covenant, condition, restriction or agreement that would prevent the development of the Rehabilitation Improvements in accordance with this OPA.

3.2 Development and Rehabilitation of the Site.

3.2.1 General. Subject to the terms and conditions of this OPA, and following Closing, Participant shall undertake the Rehabilitation Improvement work required by this OPA in accordance with Section 3.2.4, the Plans and the Scope of Work. As a condition to obtaining the Release of Construction Covenants, Participant shall provide the City with Documented Costs with respect to the Scope of Work reflecting an aggregate investment by Participant (including hard costs, soft costs and transaction costs, but excluding the purchase price under the Purchase Agreement) of at least $50 Million which may include amounts spent prior to the Effective Date consistent with the Project Budget, but not to any specific line item therein. Notwithstanding the foregoing, or anything contained in this OPA to the contrary, MSG as

Participant (but not FEI as Participant) can terminate this OPA without any liability at any time before the Loan is disbursed to Participant from Escrow, and upon such termination, the Loan, together with any accrued interest, shall be released from Escrow to the City, and FEI as Participant shall be released from any liability under this OPA arising before or after such termination, and MSG as Participant shall be released from any liability under this OPA arising after such termination.

3.2.2 Closing. The Closing is anticipated to occur on or before July 1, 2012. If the Closing has not taken place on or before July 1, 2012, then any Party may give forty-five (45) days' notice to the other Parties that it is terminating this OPA, and unless the Closing shall occur in such 45-day period, this OPA shall terminate and be of no further force or effect, and the Loan, together with any accrued interest, shall be released from Escrow to the City, and FEI as Participant shall be released from any liability under this OPA arising before or after such termination, and MSG as Participant shall be released from any liability under this OPA arising after such termination. From and after the Closing, FEI shall no longer be a Party under this OPA, and shall have no rights, obligations or liabilities hereunder, and the term "Participant" shall no longer include FEI.

3.2.3 Cost of Development and Rehabilitation. Subject to the Loan, all costs of developing, rehabilitating, and constructing the Rehabilitation Improvements, including any onsite or offsite improvements required by the City in connection therewith, and the cost of any relocation claims or costs associated with the development, rehabilitation, and construction of the Rehabilitation Improvements, shall be Participant's sole responsibility, without any cost to City.

3.2.4 Schedule of Performance.

a. Subject to any Permitted Delay, Participant shall use commercially reasonable efforts to (i) comply with the Schedule of Performance and (ii) cause the substantial completion of the Rehabilitation Improvements by October 31, 2015 (the "**Outside Date**"). As used in this OPA, substantial completion shall mean that the items listed in the Scope of Work shall have been accomplished such that (a) the contractor undertaking the work shall have given Participant a notice of substantial completion under the applicable construction contract subject only to "punchlist" items, or (b) the Rehabilitation Improvements are otherwise substantially completed in accordance with all City-approved plans as set forth in Section 3.3. City acknowledges that the dates set forth in the Schedule of Performance, including the selection of October 31, 2015 as the Outside Date, are based on the Closing having occurred by July1, 2012, and all Applicable Permits being received no later than August 31, 2013. City further acknowledges that the Schedule of Performance may be revised if such Applicable Permits are received after August 31, 2013 or are subject to Challenge, which Challenge is not resolved on or before August 31, 2013. The Schedule of Performance shall be updated from time to time as a result of any Permitted Delay, or upon the agreement of all Parties before Closing, and upon mutual agreement of MSG, as Participant, and the City Manager following the Closing.

b. During periods of rehabilitation, construction and development of the Rehabilitation Improvements, Participant shall submit to the City a written report of the progress of construction when and as reasonably requested by the City, but not more frequently than once every month. The report shall be in such form and detail as may be reasonably required by the

City and shall include a reasonable number of construction photographs (if requested) taken since the last report by Participant. From time to time, at the request of City staff, Participant (and Participant's key representative as well as key representatives of consultants, contractors and subcontractors) shall meet with City staff (or the City's designee) for progress meetings.

3.3 Plan Submission, Review and Approval. During the Project, from and after Closing, Participant shall prepare and submit plans, specifications, construction drawings and other documents related to the development and construction of the Rehabilitation Improvements on the Site to the City from time to time in connection with obtaining building permits ("**Construction Documents**").

3.4 Rights of Access. For the purpose of ensuring that the Rehabilitation Improvements are developed and rehabilitated in compliance with this OPA, during the term of this OPA and prior to the issuance of the Release of Construction Covenants for the Rehabilitation Improvements, Participant shall permit representatives of the City to enter upon the Site to inspect the Site and the Rehabilitation Improvements following forty-eight (48) hours written notice (except in the case of emergency in which case such notice as may be practical under the circumstances will be provided).

3.5 City Disclaimer. Participant acknowledges that the City is under no obligation, and the City does not undertake or assume any responsibility or duty to Participant or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Rehabilitation Improvements as a result of this OPA. Participant and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Rehabilitation Improvements. Any review or inspection undertaken by the City pursuant to the terms and conditions of this OPA is solely for the purpose of determining whether Participant is properly discharging its obligations under this OPA, and shall not be relied upon by Participant or any third party as a warranty or representation by the City as to the quality of the design or construction of the Rehabilitation Improvements or otherwise.

3.6 Preferences. Consistent with Section 33422.1 of the CRL, Participant shall comply with the applicable provisions of the policy entitled Employment and Training Requirements, attached hereto as Exhibit H, in connection with the construction of the Rehabilitation Improvements. From and after the Closing, in satisfaction of these obligations and the Employment and Training Requirements, Participant shall do the following: (a) require that all construction contractors have a goal to achieve participation by MBE/DBEs of at least 30% of the total value of funds awarded for contracts and subcontracts related to the construction of the Rehabilitation Improvements, with a goal of at least 50% of such 30% goal being awarded to local qualified businesses located in Inglewood, it being understood that Participant's and its contractors' obligations with respect to this goal shall be satisfied by engaging in the activities described on Exhibit H attached hereto and incorporated in this OPA; (b) use its commercially reasonable efforts to provide the City with a list of the titles of the expected jobs to be created in connection with the construction of the Rehabilitation Improvements, the approximate number of these jobs and the approximate salaries; and (c) if the percentage goals are not being met, upon request of the City, meet and confer with the City regarding the goals of Section 33422.1 of the

CRL and the Employment and Training Requirements to determine the impediments to achieving the specified goals.

3.7 Prevailing Wage Requirements.

In connection with the construction of the Rehabilitation Improvements:

a. Participant shall fully comply and cause all contractors and subcontractors performing any of the work contemplated by this OPA on its behalf, to comply with California Labor Code Section 1720 *et seq.* and all regulations adopted pursuant thereto (collectively, "**Prevailing Wage Laws**"), and be responsible for carrying out the requirements of such provisions.

b. Participant hereby agrees to carry out construction and development (as defined by applicable law) of the Rehabilitation Improvements, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable federal and State labor laws, including, without limitation, the payment of State prevailing wages, if required for the Project.

c. Participant hereby expressly acknowledges and agrees that the City has never previously affirmatively represented to Participant or its contractor(s) for the improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Labor Code Section 1720. Participant hereby agrees that Participant shall have the obligation to provide any and all disclosures, representations, statements, rebidding and identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees that Participant shall have the obligation to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code or by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees that Participant shall have the obligation, at Participant's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant shall indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against any and all Losses from any and all Claims arising out of or resulting from any of the following: (1) the noncompliance by Participant of any applicable local, State and federal law, including, without limitation, any applicable State and federal labor laws (including, without limitation, if applicable, the requirement to pay State prevailing wages); (2) the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code or by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision

of law; or (5) failure by Participant to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law.

d. The Parties agree that, in connection with the construction, development (as defined by applicable law) and operation of the Rehabilitation Improvements, including, without limitation, any public work (as defined by applicable law), Participant shall bear all risks of payment or nonpayment of State prevailing wages and the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and any other provision of law. The term "increased costs" as used in this Section 3.7 shall have the meaning ascribed to such term in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time.

e. The foregoing indemnity shall also be included in the Agreement Regarding Use Covenants.

f. Without limiting the foregoing, Participant shall, and hereby agrees to, indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against Losses from any and all Claims that directly or indirectly, in whole or in part, are caused by, arise from, or relate to, a breach by Participant of this Section 3.7. It is further agreed that the City does not, and shall not, waive any rights against Participant which it may have by reason of this indemnity because of the acceptance by the City, or the deposit with City by Participant, of any of the insurance policies described in this OPA.

3.8 Compliance with Laws. Participant shall carry out and cause its contractors to carry out the construction of the Rehabilitation Improvements on the Site in conformity with all applicable laws, including all applicable federal and state laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code (if any), building, plumbing, mechanical and electrical codes, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq.*, Government Code Section 4450 *et seq.*, Government Code Section 11135 *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51 *et seq.* Participant shall indemnify, defend (with counsel reasonably approved by City) and hold harmless the City Indemnified Parties from and against any and all Claims arising in connection with the breach of Participant's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City does not and shall not waive any rights against Participant which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Participant's deposit with City of any of the insurance policies described in this OPA. Participant's indemnification obligations set forth in this Section shall not apply to Claims arising from the willful misconduct of any City Indemnified Party.

3.9 Maintenance of the Site. Following Completion of the Rehabilitation Improvements, Participant shall, at its own expense, maintain the Site and the improvements and landscaping on the Site in good condition and repair and in decent safe and sanitary conditions and shall keep the Site free from any substantial accumulation of debris or waste materials in conformity with all applicable state, federal, and local laws, ordinances, Codes and regulations.

3.10 Nondiscrimination; Equal Opportunity. Participant will not discriminate on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry, disability, or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Rehabilitation Improvements, and Participant shall direct its contractors and subcontractors in connection with the construction of the Rehabilitation Improvements to refrain from discrimination on such basis nor, following Completion of the Rehabilitation Improvements, shall the Participant, itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees.

3.11 Obligation to Refrain from Discrimination. From and after Completion of the Rehabilitation Improvements, Participant shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Participant covenants for itself and all persons claiming under or through it, and this OPA is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

3.12 Effect and Duration of Covenants. The covenants established in this Agreement shall be binding for the benefit and in favor of the City, its successors and assigns for such periods as set forth in this OPA. Those certain covenants also contained in the Agreement Regarding Use Covenants shall run with the land and, without regard to technical classification and designation, remain in effect for the periods specified therein.

3.13 Agreement Regarding Use Covenants. Simultaneously with execution of this OPA, the Parties shall execute the Agreement Regarding Use Covenants in substantially the same form attached to this OPA as Exhibit D, which is incorporated into this OPA by this reference. On the Closing Date, the Parties shall cause the Agreement Regarding Use Covenants to be recorded in the Official Records against the Site.

3.14 Taxes, Assessments, Encumbrances, and Liens. All real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Site and payable by Participant, shall be paid (a) by FEI, as Participant, prior to Closing and (b) by MSG, as Participant, from and after Closing, in either event at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Site; *provided, however*, that Participant shall have the right to contest in good faith any such taxes, assessments, or charges. In the event the Participant exercises its right to contest any tax, assessment, or charge, the Participant, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

3.15 Prohibition on Assignment and Transfer. From and after the Closing:

a. Participant represents and agrees that its undertakings pursuant to this OPA are for the purpose of developing and rehabilitating the Rehabilitation Improvements on the Site, and not for speculation in land holding. Participant further recognizes that the qualifications and identity of Participant are of particular concern to the City, in light of the following: (1) the importance of the Project to the general welfare of the community and (2) the public assistance that has been made available by law and by the government for the purpose of making the Project possible. Participant further recognizes that it is because of such qualifications and identity that the City is entering into this OPA with Participant. Therefore, no voluntary or involuntary successor in interest of Participant shall acquire any rights or powers under this OPA except as expressly set forth in this OPA.

b. For the reasons cited above, Participant represents and agrees for itself and any successor in interest that prior to Completion, without the prior written approval of the City, there shall be no Transfers except Permitted Transfers.

c. To the extent City's written approval of a Transfer is required by this OPA, the City shall base its decision upon the relevant experience, financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed Transfer on the public purposes of this OPA.

d. Participant shall not be required to obtain the approval of the City pursuant to this part where the subject assignment or conveyance is a Permitted Transfer.

e. To the extent that City consent is required in accordance with Section 3.15, consent to any proposed Transfer may be given by the City Manager. Such consent shall not be unreasonably withheld, conditioned or delayed.

f. Upon a Permitted Transfer, then Participant and MSG Parent shall be released from any further liability or obligation under this OPA.

g. The restrictions of this Section 3.15 shall terminate upon Completion of the Rehabilitation Improvements.

3.16 Permitted Transferee. As used in this OPA, "Permitted Transferee" means any transferee who shall meet each of the following conditions:

a. The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Rehabilitation Improvements and to otherwise fulfill the obligations undertaken by the Participant under this OPA.

b. The Participant and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of this OPA, the Site or interest therein together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request; *provided, however,*

that Participant shall not be required to disclose any commercially sensitive information in connection with the Transfer. For purposes of this OPA, the purchase price shall not be considered commercially sensitive information.

c. The Transfer is effectuated by a written instrument satisfactory to the City in form recordable in the Official Records.

d. To the extent that City approval and satisfaction with the conditions above is required, such approval and satisfaction may be given by the City Manager. Such approval and satisfaction by City shall not be unreasonably withheld, conditioned or delayed.

e. Upon the approval of a Permitted Transferee by the City pursuant to this Section 3.16, then Participant and MSG Parent shall be released from any further liability or obligation under this OPA.

3.17 Effect of Transfer without City Consent. In the absence of specific written approval by the City of a Transfer where required, Participant shall not be released from any liability or obligation under this OPA.

3.18 Recovery of City Costs. With the exception of the Closing, Participant shall reimburse City for all City costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this OPA and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten (10) days following City's delivery to Participant of an invoice detailing such costs. However, no such costs recovery shall be required in the event that the Transfer is a Permitted Transfer to an Affiliate of The Madison Square Garden Company.

3.19 Lender Obligations and Protections.

a. Encumbrances On The Site. The Parties hereto agree that this OPA shall not prevent or limit Participant, in any manner, from encumbering the Site or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, renovation, development, use, or operation of the Site.

b. Lender Obligations. A Lender not in legal possession of the Site shall not be subject to the obligations or liabilities of the Participant under this OPA. A Lender in legal possession shall not have any obligation or duty under this OPA including, but not limited to, any obligation to construct or complete the construction of the Rehabilitation Improvements, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. A Lender in legal possession of the Site or portion thereof shall only be entitled to the benefits of this OPA if Lender fully complies with the terms of this OPA.

c. Lender Protection. No breach of this OPA shall defeat, render invalid, diminish or impair the lien of any deed of trust or mortgage ("**Mortgage**") made in good faith and for value, but all the terms and conditions contained in this OPA shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or Lender who acquires title to the Site, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of

foreclosure, or otherwise, and any such Lender or successor to or assignee of a Lender who takes title to the Site or any portion thereof shall be entitled to the benefits arising under this OPA.

d. Notice of Default to Lender; Right of Lender to Cure. If City receives notice from a Lender requesting a copy of any notice of Event of Participant Default given under this OPA and specifying the address for service thereof, then City shall deliver to such Lender, concurrently with service thereon to Participant, any notice given to Participant with respect to any claim by City of the Event of Participant Default. Each Lender shall have the right during the same period available to Participant to cure or remedy, or to commence to cure or remedy, the Event of Participant Default or non-compliance as provided in this OPA; *provided, however*, that if the Event of Participant Default or noncompliance is of a nature which can only be remedied or cured by such Lender upon obtaining possession, such Lender may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Event of Participant Default or noncompliance within ninety (90) days after obtaining possession. If any such Event of Participant Default or noncompliance cannot, with diligence, be remedied or cured within such ninety (90) day period, then such Lender shall have such additional time as may be reasonably necessary to remedy or cure such Event of Participant Default or noncompliance (including but not limited to proceeding to gain possession of the Site) if such Lender commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible. In the event the Lender is proceeding to gain possession (and does obtain possession) of the Site (whether through foreclosure, deed-in-lieu of foreclosure, or otherwise), Lender shall have no obligation to cure any Event of Participant Default which arises under Section 4.1(a) or 4.1(b) or is similarly and exclusively personal to Participant.

No purported City rules, regulations, modification, amendment and/or termination of this OPA shall be binding upon or affect the rights of any mortgagee holding a mortgage or deed of trust unless such mortgage or deed of trust is recorded in the Office of the Los Angeles County Recorder subsequent to the date any such rules, regulations, modification, amendment or termination is recorded in such office, or unless such mortgagee provides its prior written consent.

3.20 Release of Construction Covenants. Within thirty (30) days after Completion of the Rehabilitation Improvements and written request of Participant, the City will provide an instrument ("**Release of Construction Covenants**") certifying, such Completion. Such Release of Construction Covenants is conclusive evidence that Participant has satisfied its obligations as set forth in this OPA, and the Release of Construction Covenants shall so state. The City shall not unreasonably withhold, condition or delay such Release of Construction Covenants. If the City refuses or fails to furnish a Release of Construction Covenants after written request from Participant, the City shall, within ten (10) days of written request therefor, provide Participant with a written statement of the reasons the City refused or failed to furnish the Release of Construction Covenants. The statement shall also contain the City's opinion of the actions Participant must take to obtain a Release of Construction Covenants. If the reason for such refusal is confined to minor items, the City shall issue its Release of Construction Covenants subject to Participant's commitment to complete the items within a reasonable time period and Participant's demonstration of sufficient financial resources to complete the remaining items.

The Release of Construction Covenants shall be issued substantially in the form attached hereto as Exhibit F, and at Participant's option, shall be recorded in the Official Records of Los Angeles County. The Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust or mortgage securing money loaned to finance the Rehabilitation Improvements or any part thereof and shall not be deemed a notice of completion under the California Civil Code.

ARTICLE IV
DEFAULTS, REMEDIES AND TERMINATION

4.1 Event of Participant Default. An event of default on the part of Participant ("**Event of Participant Default**") shall arise with respect to any of the actions referenced below. Upon an Event of Participant Default, the City shall give written notice of default to the Participant, specifying the default complained of by the City. The City may not exercise any rights or remedies upon a default by Participant, unless and until such default continues beyond any applicable cure period after written notice thereof from the City and an opportunity for the Participant to appear before the City Council in the event the City seeks to terminate the OPA.

a. If any representation, warranty or acknowledgment of Participant is incorrect in any material respect when made and continues to be incorrect in any material respect (*e.g.*, representations made by Participant and contained in this OPA, or in any application, financial statement, certificate or report submitted to the City in connection with this OPA) or Participant's request for the Loan, proves to have been incorrect in any material and adverse respect when made and continues to be incorrect and materially adverse to the City;

b. MSG, as Participant, shall have been dissolved (voluntarily or involuntarily); or

c. Participant fails to keep, observe or perform any covenants, duties or obligations contained in this OPA in any material respect and the default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days after written notice thereof from City to Participant, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Participant fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

4.2 City Default. Upon an event of default on the part of City ("**Event of City Default**") the Participant shall give written notice of default to the City specifying the default complained of by the Participant. An Event of City Default shall arise hereunder if any warranty, or acknowledgement of City is incorrect in any material respect when made and continues to be incorrect, or City fails to keep, observe, or perform any of its covenants, duties, or obligations under this OPA, and the default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days after written notice thereof from Participant to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

4.3 Remedies. In addition to any other rights or remedies the parties may have in equity, any party may institute legal action to cure, correct, or remedy any default, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this OPA. Such equitable and/or legal actions must be instituted in the venue specified in Section 6.21.

4.4 Acceptance of Service of Process.

a. In the event that any legal action is commenced by Participant against City, service of process on City shall be made by personal service upon the City Manager or the Mayor of City, or in such other manner as may be provided by law.

b. In the event that any legal action is commenced by City against Participant, service of process on Participant shall be made in such manner as may be provided by law, and shall be valid whether made within or outside the State of California.

4.5 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this OPA, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth in this OPA, (a) a Party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential, punitive and special damages; and (b) City agrees that its sole remedy for any Default by Participant arising out of a breach of Section 3.15 shall be to elect to terminate this OPA.

4.6 Effect of Default. Notwithstanding anything to the contrary in this OPA, if Participant has effected a Permitted Transfer so that its interest in the Site has been divided between Permitted Transferees, then any determination that a Party is in Default shall be effective only as to the Party to whom the determination is made and the portions of the Site in which such Party has an interest.

ARTICLE V
INSURANCE AND INDEMNIFICATION

5.1 Insurance.

a. During the periods set forth below, Participant shall maintain or cause its contractors to maintain all applicable insurance coverage specified in Article V, and deliver to the City duplicate or appropriate certificates of the following insurance policies (collectively, "**Insurance Policies**") naming the City and their respective officers, employees, contractors and agents as additional insureds as respects their interests in this OPA.

b. All-Risk Builders Risk Insurance: Prior to the commencement of any Rehabilitation Improvements by and/or on behalf of Participant pursuant to the terms and conditions of this OPA, and at all times until Completion, Participant or its contractors shall maintain All Risk Builder's Risk insurance in an amount equal to the construction cost of the Project with limits equal to the completed value. Such insurance shall insure against direct

physical loss or damage by fire, lightning, hail, windstorm, explosion, riot, riot attending a strike, collapse, underground hazards, damage by aircraft and vehicles, vandalism, malicious mischief, glass breakage, flood and earthquake and such other causes as are covered by such form of insurance. The policy shall provide replacement cost coverage for damage to the work and to appurtenances, to materials and equipment to be used on the project while the same are in transit (other than in this case damage by flood or earth movement), stored on or off the project site, to construction plant and temporary structures. Coverage shall include no coinsurance penalty and include soft costs. A self-insured retention greater than 10% of the policy amount for earthquake and flood or $250,000 for all other perils is subject to approval by the City (not to be unreasonably withheld, conditioned or delayed). Such insurance shall name the City as loss payee.

c. Commercial General Liability Insurance: From and after the Closing, Participant shall maintain or cause to be maintained comprehensive general liability insurance to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the business of Participant on the Site, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Participant, or any person acting for Participant or under their respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Site, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Participant or any tenants, or any person acting for Participant or under their respective control or direction. Such property damage and personal injury insurance shall also provide for and protect the City against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect until Completion in the following amounts: commercial general liability insurance with a per-occurrence limit of not less than Seven Hundred Fifty Thousand Dollars ($750,000), an additional Twenty-Five Million Dollars ($25,000,000) in umbrella and excess liability coverage and a self-insured retention of not more than Two Hundred Fifty Thousand Dollars ($250,000) per claim. This self-insured retention may be increased based on the availability of insurance with such self-insured retentions at commercially reasonable premiums. If increased, this self-insured retention must be disclosed and is subject to the approval of the City. Participant agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Participant may be held responsible for the indemnification obligations hereunder or the payment of damages to persons or property resulting from the Participant's activities, activities of any tenants or the activities of any other person or persons for which Participant is otherwise responsible. The City of Inglewood, and their officials, officers, employees, contractors, agents and attorneys are to be named as additional insured. The general liability and (if required) professional liability policies must be endorsed to provide that each policy shall apply on a primary and noncontributing basis in relation to any insurance or self-insurance, primary or excess, maintained by or available to the City or its officials, employees and agents.

d. Automobile Insurance: Prior to the commencement of any Rehabilitation Improvements by and/or on behalf of Participant pursuant to the terms and conditions of the OPA, and at all times until Completion, Participant shall maintain or cause to be maintained automobile insurance, coverage to include owned, hired and non-owned vehicles, maintained in

full force and effect in an amount of not less than Two Million Dollars ($2,000,000) per accident. Coverage should include Transportation Pollution Liability Extension if any hazardous material will be transported to/from the site. The City of Inglewood, and their officials, officers, employees, contractors, agents and attorneys are to be named as additional insured.

e. Workers' Compensation Insurance: From and after the Closing, Participant shall maintain or cause to be maintained workers' compensation insurance for its employees. Notwithstanding the foregoing, Participant may, in compliance with the laws of the State and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Participant shall deliver to the City evidence that such self-insurance has been approved by the appropriate State authorities. Participant shall also maintain Employer's Liability insurance with limits not less than One Million Dollars ($1,000,000). Workers' Compensation Insurance shall contain an endorsement stating that insurer has waived its right of subrogation against the City.

f. All policies or certificates of insurance shall provide that such policies shall not be canceled, reduced in coverage or materially limited without at least thirty (30) days' (except in the case of non-payment, in which case such notice shall be ten (10) days') prior written notice to the City.

g. Any design professionals hired will procure and maintain professional liability insurance with limits of no less than Two Million Dollars ($2,000,000) if reasonably procurable or, if not, at least One Million Dollars ($1,000,000). Insurance is to be maintained for at least five (5) years if reasonably procurable or, if not, at least three (3) years after Completion of the Rehabilitation Improvements.

h. If Participant fails or refuses to procure or maintain insurance as required by this OPA, the City shall have the right, but not the obligation, at the City's election, and upon ten (10) days prior notice to Participant, to procure and maintain such insurance. The premiums paid by the City shall be treated as a loan, due from Participant, to be paid on the first day of the month following the date on which the premiums were paid. The City shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

i. Participant shall have the right in its discretion to provide the insurance coverage required by this Section 5.1 through one or more umbrella policies, so long as the type and level of insurance protection to be maintained by Participant in accordance with this Section 5.1 is not diminished by so doing (as reasonably determined by the City Manager).

5.2 Indemnification.

a. Commencing upon the Effective Date of this OPA and to the extent required pursuant to the terms of this OPA, MSG, as Participant, to the maximum extent permitted by law, agrees to defend, indemnify and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from any and all losses, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death and property damage) including reasonable attorneys' fees (collectively, "**Losses**") from any and all claims, demands and actions in law or equity (including

reasonable attorneys' fees and litigation expenses) by any third party (collectively, "**Claims**") that arise out of the development, use or operation of the Project and/or the Rehabilitation Improvements on the Site arising out of City entering into this OPA (but not claims arising out of the City's municipal duties and functions relative to enforcement of building codes and issuance of building permits and certificates of occupancy, and similar municipal functions and obligations).

b. In undertaking its obligations pursuant to this OPA, City shall not be an insurer or surety for the design or construction of the Rehabilitation Improvements.

c. This Section 5.2 shall remain in full force and effect for ten (10) years following issuance of the Release of Construction Covenants for the Rehabilitation Improvements by the City.

5.3 Indemnification Procedures. In connection with any indemnification provided in this OPA in respect of, arising out of, or involving a Loss or a Claim by any Person against the City Indemnified Parties (each, an "**Indemnification Claim**"), such City Indemnified Parties shall promptly give notice, in writing and in reasonable detail, to Participant thereof; *provided*, that failure to give reasonable and prompt notification shall not affect the indemnification provided hereunder except to the extent Participant shall have been actually and materially prejudiced as a result of such failure to promptly notify. Participant shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the City Indemnified Parties, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder. If Participant elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the City Indemnified Parties in writing of its intent to do so. If Participant elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, the City Indemnified Parties may (at Participant's sole cost and expense) defend against, control, negotiate, settle or otherwise deal with such Indemnification Claim. If Participant shall assume the defense of any Indemnification Claim, the City Indemnified Parties may participate, at its expense, in the defense of such Indemnification Claim; *provided, however*, that such City Indemnified Parties shall be entitled to participate in any such defense with separate counsel at the expense of Participant only if (a) so requested by Participant to participate or (b) if the nature of the claim creates an ethical conflict for the same counsel to defend the City Indemnified Parties and Participant; and *provided*, further, that Participant shall not be required to pay for more than one such counsel for all City Indemnified Parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything to the contrary in this OPA, neither Participant nor the City Indemnified Parties shall, without the written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed), settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless (x) the claimant(s) and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim, and (y) in the case of any such settlement, compromise, consent to default or to entry of any judgment by Participant, such settlement, compromise or

judgment otherwise provides solely for payment of monetary damages for which the City Indemnified Parties will be indemnified in full and shall have no financial responsibility.

ARTICLE VI
MISCELLANEOUS

6.1 Notices. Except as otherwise specified in this OPA, all notices to be sent pursuant to this OPA shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by:

a. Personal delivery, in which case notice is effective upon delivery;

b. Certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or

c. Nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

To MSG, as Participant:
MSG Forum, LLC
c/o MSG Holdings, L.P.
2 Penn Plaza
New York, New York 10121
Attention: General Counsel
Telephone: (212) 465-6300

with a copy to:
Gibson, Dunn & Crutcher LLP
333 S. Grand Avenue, Suite 4900
Los Angeles, California 90071
Attention: Amy R. Forbes, Esq.
Telephone: (213) 229-7151

To FEI, as Participant:
The Forum Enterprises, Inc.
3900 West Manchester Boulevard
Inglewood, California 90305
Attention: Bishop Kenneth C. Ulmer

with a copy (which shall not constitute notice) to:

The Faithful Central Bible Church Inc.
333 W. Florence Avenue
Inglewood, California 90301
Attention: Marc Little

To City:	The City of Inglewood One Manchester Boulevard, 9th Floor Inglewood, California 90301 Attention: City Manager Telephone: (310) 412-5290
with a copy to:	City Attorney's Office One Manchester Boulevard, 8th Floor Inglewood, California 90301 Attention: City Attorney Telephone: (310) 412-5372
	City Clerk's Office One Manchester Boulevard, 1st Floor Inglewood, California 90301 Attention: City Clerk Telephone: (310) 412-5290
(which will not constitute notice to the City)	Kane, Ballmer & Berkman 515 S. Figueroa Street, Suite 1850 Los Angeles, California 90071 Attention: Royce K. Jones, Esq. Telephone: (213) 617-0480

6.2 Non-liability of Officials and Employees. No member, official, or employee of City or City shall be personally liable to Participant, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Participant or to its successor, or on any obligations under the terms of this OPA. No member, director, officer, official, or employee of Participant shall be personally liable to City, or any successor in interest, in the event of any default or breach by Participant or for any amount which may become due from Participant or its successor, or on any obligations under the terms of this OPA.

6.3 Estoppel Certificates. Any Party may, at any time, and from time to time, deliver written notice to any other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (a) this OPA is in full force and effect and a binding obligation of the Parties, (b) this OPA has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in default in the performance of its obligations under this OPA, or if in default, to describe therein the nature and amount of any such defaults; and (d) such other information as may reasonably be requested. In the event the estoppel certificate discloses any default, breach or event, it shall also state the manner in which such default, breach and/or event may be cured. The Party requesting such certificate or agreement shall provide the form thereof and, provided such certificate or agreement is in form and substance commercially reasonable, a Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The City Manager shall have the right to execute any certificate requested by either Participant hereunder. City acknowledges that a certificate hereunder may be relied upon by Transferees, Lenders and Mortgagees, and their respective successors and/or assigns.

6.4 MSG's Warranties and Representations, as Participant. MSG, as Participant, hereby warrants and represents the following to City for the purpose of inducing City to enter into this OPA and to consummate the transaction contemplated hereby, all of which shall be true as of the date hereof:

a. MSG is a limited liability company, duly organized and in good standing under the laws of the state of Delaware. MSG has the legal power, right and authority to enter into this OPA and the instruments and documents referenced in this OPA to which MSG is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

b. This OPA is duly executed by MSG, as Participant, and all agreements, instruments and documents to be executed by MSG pursuant to this OPA shall, at such time as they are required to be executed hereunder, be duly executed by MSG. Each such agreement is, or shall be at such time as it is required to be executed hereunder, valid and legally binding upon MSG and enforceable in accordance with its terms. The execution and delivery of this OPA will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which MSG is a party.

c. There are no suits, other proceedings or investigations pending or, to the best of MSG's knowledge, threatened against MSG, that MSG reasonably believes would have a material adverse effect on the financial condition of MSG.

d. MSG is not the subject of a bankruptcy or insolvency proceeding.

6.5 FEI's Warranties and Representations, as Participant. FEI, as Participant, hereby warrants and represents the following to City for the purpose of inducing City to enter into this OPA and to consummate the transaction contemplated hereby, all of which shall be true as of the date hereof:

a. FEI is a corporation, duly organized and in good standing under the laws of the state of Delaware. FEI has the legal power, right and authority to enter into this OPA and the instruments and documents referenced in this OPA to which FEI is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

b. This OPA is duly executed by FEI, as Participant, and all agreements, instruments and documents to be executed by FEI pursuant to this OPA shall, at such time as they are required to be executed hereunder, be duly executed by FEI. Each such agreement is, or shall be at such time as it is required to be executed hereunder, valid and legally binding upon FEI and enforceable in accordance with its terms.

6.6 Time of the Essence; Calculation of Time Periods. Except as otherwise provided in this OPA, time is of the essence for each condition, term, obligation and provision of this OPA. Unless otherwise specified, in computing any period of time described in this OPA, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of

any such period shall be deemed to end at 5:00 p.m. Pacific Time at the Site. For purposes of this OPA, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California or New York.

6.7 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, notwithstanding Section 4.1 or any other provision of this OPA, performance by any Party shall not be deemed to be in default, and all performance and other dates specified in this OPA shall be extended where delays or defaults are hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, condemnation, requisition, laws, litigation, orders of governmental, civil, military or naval authority, acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City),or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a "**Permitted Delay**").

Times of performance under this OPA may also be extended in writing by the mutual agreement of Participant and City (acting in the discretion of its City Manager).

6.8 Attorneys' Fees. If any Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against any other Party by reason of an Event of Participant or City Default, or otherwise arising out of this OPA, the prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. If any person or entity not a Party to this OPA initiates an action at law or in equity to challenge the validity of any provision of this OPA, the parties shall cooperate in defending such action and such action shall be treated as a Claim pursuant to Section 5.2.

6.9 Authority to Execute Agreement. Each of the persons executing this OPA hereby represent and warrant that he or she is authorized to represent the party for whom such person is executing this OPA, and to enter into this OPA on behalf of such party.

6.10 Advice of Counsel. Each party hereto has had the opportunity to seek the advice of independent counsel of its choosing concerning this OPA. This OPA is deemed to have been jointly prepared by all of the parties hereto, and any uncertainty or ambiguity existing in this OPA shall not be interpreted against any party on the ground that it was the drafter of this OPA.

6.11 No Third Party Beneficiaries. This OPA is intended to confer rights and benefits only upon the parties and their successors and assigns and is not intended to confer any rights or benefits upon any other Person. No Person other than the parties and their successors and assigns shall have any legally enforceable rights hereunder. All rights of action for any breach of this OPA are hereby reserved to the parties hereto and their successors and assigns.

6.12 Survival. Except as provided in the Agreement Regarding Use Covenants, upon: (a) the expiration or termination of this OPA or (b) the issuance and recordation of a Release of

Construction Covenant, all representations, obligations, covenants and requirements imposed upon Participant under this OPA (that have not previously terminated in accordance with the terms of this OPA) shall terminate.

6.13 Calendar Days. All references in this OPA to a number of days in which any party shall have to consent, approve or perform shall mean calendar days unless specifically stated to be business days.

6.14 Effective Date. This OPA shall be in full force and effect as of the Effective Date.

6.15 Construction. The section headings and captions used in this OPA are solely for convenience and shall not be used to interpret this OPA. The Parties acknowledge that this OPA is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since all Parties have participated in the negotiation and drafting of this OPA, this OPA shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

6.16 Action or Approval. Whenever action and/or approval by the City is required under this OPA, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise. To the extent that the City Manager is authorized to grant his or her consent or approval under this OPA, the City Manager may, in his or her discretion, refer such matter to the City Council for approval consideration.

6.17 Entire Agreement. This OPA, including Exhibits A through J attached hereto and incorporated into this OPA by this reference contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements among the Parties with respect to the subject matter hereof.

6.18 Counterparts. This OPA may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by any other Party. Any executed counterpart of this OPA may be delivered to any other Party by electronic mail in portable document format (.pdf) and shall be deemed as binding as if an originally signed counterpart were delivered.

6.19 Severability. If any term, provision, or condition of this OPA is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this OPA shall continue in full force and effect unless an essential purpose or benefit of this OPA is defeated by such invalidity or unenforceability, then the Party deprived of the essential purpose or benefit shall have the option to terminate this entire OPA.

6.20 Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict performance of any of the provisions of this OPA by any other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to

demand strict compliance by such other Party in the future. The Party for whose benefit a covenant or commitment is provided may waive its rights pursuant to that commitment or covenant, *provided* that no waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. The City Manager is authorized to execute waivers on behalf of the City. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. All of the remedies permitted or available to a Party under this OPA, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

6.21 Parties Not Co-Venturers. Nothing in this OPA is intended to or shall establish the City, MSG and FEI as partners, co-venturers, or as principal and agent with one another. Notwithstanding the execution of this OPA by both MSG and FEI as Participants, nothing in this OPA shall create any rights or obligations as between FEI and MSG, and the obligations of MSG and FEI hereunder are several, and not joint and several.

6.22 Governing Law; Venue. The laws of the State of California shall govern the interpretation and enforcement of this OPA. Venue shall be Los Angeles Superior Court or United States District Court, Central District.

6.23 Term of Agreement. Except as otherwise provided for in this OPA, the terms and conditions of this OPA shall remain in full force and effect until the Release of Construction Covenants is issued to Participant.

6.24 Construction of Agreement. The provisions of this OPA and the Exhibits shall be construed as a whole according to their common meaning and not strictly for or against any Party in order to achieve the objectives and purpose of the Parties. The captions preceding the text of each Article, Section, Subsection and the Table of Contents are included only for convenience of reference and shall be disregarded in the construction and interpretation of this OPA. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. Unless otherwise specified, whenever in this OPA, reference is made to the Table of Contents, any Article or Section, or any defined term, such reference shall be deemed to refer to the Table of Contents, Article, Section or defined term of this OPA. Exhibits to this OPA shall be incorporated into this OPA as if stated fully in this OPA. The use in this OPA of the words "including," "such as," or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as "without limitation" or "but not limited to," or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. This OPA has been reviewed and revised by legal counsel for each of MSG, FEI and City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this OPA.

6.25 City Liability Limitation. The Parties hereby acknowledge and agree that all actions taken or performed by the City in fulfillment of its obligations under this OPA are being taken or performed in accordance with the terms and conditions of the Cooperation Agreement providing for a Commercial Rehabilitation Loan Program (the "**Program**") pursuant to which the City is authorized to use certain redevelopment funds obtained from the Agency to implement the Program and fund various commercial redevelopment loans inclusive of the Rehabilitation Loan contemplated and provided for in this OPA, for which the City will be utilizing $18,000,000. Moreover, the Parties also acknowledge and agree that under no circumstances shall the City be obligated to utilize, pledge, obligate, expend or otherwise encumber any funds from its general fund, or any other funds available to the City, to satisfy its obligations set forth in this OPA, and that the sole and exclusive source of funding available to and allocated by the City to carry out its responsibilities under this OPA and/or to satisfy any liabilities and obligations arising from and/or out of this OPA shall be such redevelopment funds.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have entered into this OPA as of the Effective Date.

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: Mark Cresitello
Title: Senior Vice President & Assistant Secretary

IN WITNESS WHEREOF, the parties hereto have entered into this OPA as of the Effective Date.

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

JOINDER AND GUARANTY

The undersigned hereby acknowledges, consents and agrees to the foregoing Owner Participation Agreement and guarantees the obligations of MSG, as Participant under such Owner Participation Agreement (but not under any exhibits or other documents related thereto, including the Promissory Note and the Deed of Trust).

To the fullest extent permitted by law, the undersigned waives diligence, protest, notice of protest, presentment, demand of payment, notice of dishonor and all other suretyship defenses.

The undersigned acknowledges that it is a direct or indirect owner of MSG, as Participant, that it will derive substantial benefits by reason of MSG's performance (as Participant) of its duties and obligations under the Owner Participation Agreement, and that the agreement of City to enter into the Owner Participation Agreement is subject to the undersigned's agreement to the above.

MSG HOLDINGS, L.P.,
a Delaware limited partnership

By: MSG Eden Corporation,
a Delaware corporation,
its general partner

By: _____
Name: Laurence Bancu
Title: Secretary

EXHIBIT A

LEGAL DESCRIPTION OF SITE

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE EAST ALONG THE NORTHERLY LINE OF SECTION 34, WHICH IS ALSO THE CENTERLINE OF MANCHESTER BOULEVARD (100 FEET WIDE), A DISTANCE OF 1182.91 FEET; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 50.00 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID MANCHESTER BOULEVARD, WHICH IS THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 1270.00 FEET; THENCE WEST, A DISTANCE OF 1149.91 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 1234.89 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 72° 30' 30" EAST, ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 55.27 FEET TO A POINT OF TANGENCY IN A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 122.12 FEET; THENCE TANGENT TO SAID CURVE, EAST ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 976.97 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN DEEDS TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-682, PAGE 530, IN BOOK D-1473, PAGE 328, AND IN BOOK D-4209, PAGE 199, ALL OF SAID OFFICIAL RECORDS AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN SAID DEED RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST, A DISTANCE OF 150.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF PRAIRIE AVENUE, 78.00 FEET WIDE, WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE NORTH ALONG SAID EASTERLY LINE, 107.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 635.00 FEET; THENCE

SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 715.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO A POINT OF TANGENCY WITH SAID SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SECTION 34; THENCE EAST ALONG SAID SOUTHERLY LINE, 3218.78 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 635.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 120.34 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 715.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 262.55 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF THE NORTHERLY 1240.00 FEET OF SAID SECTION 34; THENCE WEST ALONG SAID LAST MENTIONED SOUTHERLY LINE, 2433.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1960.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 476.96 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 2040.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 496.32 FEET; THENCE TANGENT TO SAID CURVE, WEST 190.00 FEET; THENCE NORTH 45° 00' 00" WEST 14.14 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG SAID EASTERLY LINE, 100.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE WESTERLY LINE OF SAID SECTION; SOUTH 00° 00' 05" EAST 1212.20 FEET; THENCE EAST 33.00 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 45° 00' 00" 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 635.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 715.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO ITS TANGENT INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE ALONG SAID SOUTHERLY LINE, WEST 751.52 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE ALONG SAID EASTERLY LINE, NORTH 00° 00' 05" WEST 107.80 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, 78 FEET WIDE; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY THE DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS OF SAID COUNTY; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED, AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST 150.28 FEET TO THE HEREINBEFORE MENTIONED PRAIRIE AVENUE, 78 FEET WIDE, SAID POINT ALSO BEING ON THE EASTERLY LINE OF THE WESTERLY 33.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 00' 05" EAST 581.80 FEET TO THE NORTHERLY EXTREMITY OF THAT CERTAIN COURSE IN THE

SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO THE FORUM OF INGLEWOOD, INC., RECORDED JULY 26, 1966 AS INSTRUMENT NO. 1944, IN BOOK D-3377, PAGE 47, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS HAVING A BEARING AND LENGTH OF "NORTH 45° 00' 00" WEST 14.14 FEET"; THENCE ALONG LAST MENTIONED LINE, SOUTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 30.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 28.00 FEET, SAID CURVE ALSO BEING TANGENT AT ITS POINT OF ENDING WITH THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 59' 55", AN ARC DISTANCE OF 43.98 FEET TO SAID POINT OF TANGENCY; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 0° 00' 05" WEST 563.80 FEET; THENCE NORTH 1° 31' 38" EAST 150.03 FEET TO THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE NORTH 0° 00' 05" WEST 253.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 63.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 52' 43", AN ARC DISTANCE OF 81.88 FEET TO THE HEREINBEFORE MENTIONED SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 400.00 FEET, A RADIAL AT SAID POINT BEARS NORTH 16° 07' 22" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 22' 08", AN ARC DISTANCE OF 9.56 FEET; THENCE TANGENT TO SAID CURVE SOUTH 72° 30' 30" WEST 26.65 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM SAID LAND, AN UNDIVIDED 28/200THS OF 1 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM SAID LAND, AS RESERVED BY MANCHESTER AVENUE COMPANY, IN DEED RECORDED AUGUST 31, 1956 AS INSTRUMENT NO. 2084, IN BOOK 52179, PAGE 412, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST OF INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN ALL OIL AND GAS ROYALTIES AND PAYMENTS DERIVED FROM THE EXISTING OIL AND GAS LEASES ON SAID LAND OR ANY PART THEREOF, WHICH ARE PRESENTLY OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED BY INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN DEED RECORDED NOVEMBER 21, 1962 AS INSTRUMENT NO. 1996, IN BOOK D-1829, PAGE 887, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERAL, OIL AND GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR UNDER SAID LAND BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MASON LETTEAU, P.T. HINCON AND JOHN R. MACFADEN, BEING THE SUCCESSOR IN OFFICE OF CHRIS G. DEMETRIOUS AND THEIR SUCCESSORS IN OFFICE AS BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 AS INSTRUMENT NO. 1220, IN BOOK D-2398, PAGE 795, OFFICIAL RECORDS.

APN: 4025-001-002

EXHIBIT B

SCHEDULE OF PERFORMANCE

1.	Execution of Agreement – Agreement authorized, executed and delivered	Within one (1) business day of approval of the OPA by City
2.	Opening of Escrow – Participant and City shall open and fund escrow for rehabilitation loan	Within one (1) business day of approval of the OPA by City
3.	Closing under Purchase Agreement – FEI shall convey Site to MSG as Participant; Recordation of Agreement Regarding Use Covenants	July 1, 2012
4.	Submission – Final Building Permit Drawings – Participant shall submit Final Building Permit Drawings to the City	Within 15 months of Closing
5.	Commencement of Rehabilitation Improvements – Participant shall commence construction of the Rehabilitation Improvements	Within 60 days of receiving building permits and approvals
6.	Completion of Rehabilitation Improvements – Participant shall complete the Rehabilitation Improvements	Within 21 months of start of construction
7.	Release of Construction Covenants Issued – City to issue Release of Construction Covenants to Participant	Following Completion of the Rehabilitation Improvements and within 30 days after Participant submits its request

EXHIBIT C

SCOPE OF WORK AND PROJECT BUDGET

[See attached.]

EXHIBIT C

SCOPE OF WORK AND PROJECT BUDGET

	Project Scope Items	Key Select Items Included in Scope	Current Project Budget
A.	ADA UPGRADES	Upgrade elevators, New ADA restrooms, wheelchair bowl seating, Wheel chair entrance ramps, etc.	$ 3,210,180
B.	CODE UPGRADES	Upgrade fire alarm system, Add upper and lower Handrails, etc.	$ 2,546,691
C.	ABATEMENT	Environmental remediation.	$ 5,282,715
D.	PAST DEFERRED MAINTENANCE	New roof and exterior coating system, Mechanical/electrical replacement/upgrades (e.g. plumbing, piping, chillers, air handlers), New F&B equipment, Parking lot refurbishment, etc.	$ 11,116,719
E.	REVENUE & GUEST EXPERIENCE	Add fixed & loose seating in north area, Upgrade north terrace, Refinish & expand L1 hospitality, Refinish L3 concourse, Add new F&B equipment, Refinish Forum club, etc.	$ 15,761,443
F.	OPERATIONS	Install CCTV and security system, Improve dressing rooms, artist areas and offices, Upgrade telecom infrastructure, etc.	$ 4,648,456
G.	EXTERIOR SIGNAGE	New Marquee, Improved parking entrances and directional signage	$ 4,200,000
H.	SOFT AND TRANSACTIONAL COSTS	Design and consulting costs, project management, insurance, etc.	$ 14,799,666
	Construction Total		$ 61,565,870

Note: Pursuant to the OPA, MSG has commited funds in an amount not less than $50,000,000 for Completion of the Rehabilitation Improvements on the Site, in accordance with the requirements of the OPA. However, such commitment is with respect to an ***overall*** *amount and not to specific allocations of such overall amount to one or more specific category(ies).*

EXHIBIT D

FORM OF AGREEMENT REGARDING USE COVENANTS

OFFICIAL BUSINESS
Document entitled to free
recording per
Government Code
Sections 6103 and 27383

RECORDING REQUESTED BY
AND WHEN RECORDED
RETURN TO:

The City of Inglewood
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attn: City Manager

Space above this line for Recorder's use only

AGREEMENT REGARDING USE COVENANTS

THIS AGREEMENT REGARDING USE COVENANTS (the "Use Covenant") is dated as of _____, 201__, by and among the CITY OF INGLEWOOD, a municipal corporation (the "City"), THE FORUM ENTERPRISES, INC., a Delaware corporation ("FEI") and MSG FORUM, LLC, a Delaware limited liability company (the "Participant").

A. FEI owns fee title to that certain real property and the improvements thereon commonly referred to as "the Forum" located in the City of Inglewood (the "City"), County of Los Angeles, State of California, legally described in the legal description attached hereto as Exhibit A and incorporated herein by this reference (the "Property"). Participant is under contract to purchase the Property subject to and in accordance with the terms of the Purchase Agreement. From and after the Closing, FEI shall no longer be a Party under this Use Covenant, and shall have no rights, obligations or liability liabilities hereunder, and the term "Participant" shall no longer include FEI.

B. This Use Covenant shall be effective upon the date of its recordation in the Official Records of Los Angeles County, California ("Effective Date").

C. The Property is within the Merged In-Town, La Cienega, Manchester-Prairie, North Inglewood Industrial Park, Century, and Imperial-Prairie Redevelopment Project area (the "Project") in the City of Inglewood and is subject to the provisions of the Amended and Restated Redevelopment Plan for the Project which was approved and adopted on July 30, 1996

by the City Council of the City of Inglewood by Ordinance No.96-11, 96-12, 96-13, 96-14, 96-15 and 96-16, and any amendments thereto (the "Redevelopment Plan").

D. City and Participant have entered into that certain Owner Participation Agreement, dated _____, 2012 (the "OPA"), which is incorporated herein by this reference. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the OPA.

E. Pursuant to the terms of the OPA, subject to the satisfaction of certain conditions for the benefit of the City set forth in the OPA, City has agreed to provide certain financial assistance to Participant for rehabilitation of the Property in the form of a loan.

F. Pursuant to the terms of the OPA, subject to the satisfaction of certain conditions for the benefit of the Participant set forth in the OPA, Participant has agreed to perform and complete certain Rehabilitation Improvements on the Property in accordance with a Scope of Work and a Schedule of Performance and the terms of the OPA (capitalized terms each as defined in the OPA).

G. This Use Covenant is entered into and recorded in accordance with the Redevelopment Plan and the OPA.

NOW, THEREFORE, City, FEI and Participant agree as follows:

1. Rehabilitation and Development of the Rehabilitation Improvements and the Property. Following the Closing (which Closing shall be pursuant to and subject to the terms and conditions of the Purchase Agreement), Participant hereby agrees to rehabilitate, restore, renovate, or cause the rehabilitation, restoration, and renovation of the Rehabilitation Improvements on the Property, in accordance with and subject to the terms and conditions of the OPA, including Section 3.2 therein (the "Construction Covenants").

2. Release of Construction Covenants. Following Completion of the Rehabilitation Improvements as provided for in the OPA, City shall issue to Participant for recordation a Release of Construction Covenants as provided in the OPA. Following the recording of the Release of Construction Covenants, the Construction Covenants contained in Section 1 above shall terminate and be of no further force and effect with respect to the Property. Further, following the recording of a Release of Construction Covenants, any successor-in-interest to the Property or any portion thereof shall have no obligations to rehabilitate or develop the Property pursuant to the Construction Covenants or the OPA and shall only have those obligations relating to and expressly provided for in this Use Covenant.

3. Use of the Property. During the Term (as defined in Section 6 below) of this Use Covenant, Participant, on behalf of itself and its successors, assigns, and each successor in interest to Participant's interest in the Property or any part thereof, hereby covenants and agrees as follows:

a. Following Completion of the Rehabilitation Improvements, Participant, its successors and assigns, shall use the Property as a venue for public and private events, concerts,

rehearsals, film shoots, awards shows, movie premieres, trade conventions, graduation ceremonies, theatrical performances, family shows, exhibitions, sporting events, other events customary for an arena or theater, and/or other similar types of activities (collectively, "Venue Events"). However, if Participant intends to use the Property for any use other than Venue Events, then Participant shall promptly notify City after such use is scheduled, and within ten (10) business days of such use, Participant shall pay to City an amount equal to Five Thousand Dollars ($5,000) (the "Alternative Use Payment") for each calendar day such use took place at the Property.

b. From and after Completion of the Rehabilitation Improvements, Participant herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, and this Use Covenant is made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

4. Maintenance of the Property. From and after Completion of the Rehabilitation Improvements, Participant, its successors and assigns, shall maintain the Rehabilitation Improvements on the Property in substantially the same aesthetic and physical condition (or better) as the condition of the Property at the time City issues a Release of Construction Covenants pursuant to the OPA, reasonable wear and tear excepted and damage from casualty excepted (and further subject to the rights of lenders). This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for dirt, debris, graffiti or damage or deterioration or failure, and prompt repainting or repair or replacement of all surfaces, fencing, walls, trim, equipment, glass, doors, windows, awnings, signs etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining lighting and replacing damaged, broken, and burned out lamps and lighting fixtures promptly; and maintaining security devices in good working order. In the event Participant, its successors or assigns fails to maintain the Rehabilitation Improvements in accordance with the aforementioned standard, City or its designee shall have the right but not the obligation to enter the Property upon reasonable notice to Participant, correct any violation, and hold Participant, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Use Covenant shall be covenants running with the Property, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns. The City shall be deemed to be the beneficiary of the covenants, conditions and restrictions of this Use Covenant both for and in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the City, without regard to whether the City has been, remains, or is an owner of any land or interest in the Project or the Project Area. Except as provided in the preceding sentence, the covenants, conditions and restrictions contained in this Use Covenant shall not benefit nor be enforceable by any owner of real property within or outside the Project Area or any person or entity having any interest in any such real property, except the City.

6. Term. The term of this Use Covenant shall be thirty (30) years from the Effective Date (the "Term"), *provided* that notwithstanding any other provision of this Use Covenant or the OPA, the Term of this Use Covenant shall immediately expire (a) upon the satisfaction of the Promissory Note, or (b) upon Termination of the OPA prior to the execution and delivery of the Promissory Note.

7. Management. During the first five (5) years of the Term, the provisions of this Section 7 shall apply. Participant shall be directly responsible for the management of the Property. Notwithstanding the foregoing, Participant may elect to contract with a third party arena manager reasonably acceptable to the City, which arena manager will be charged with managing the Property on behalf of the Participant. The City shall have the right to review and approve any such entity prior to its selection by the Participant. Such approval shall not be unreasonably withheld, conditioned or delayed. Participant shall include in any such arena management agreement a provision providing for the termination of such arena management agreement in the event that the arena manager violates any federal, state or local health and safety laws and regulations.

8. Defaults and Remedies.

a. Event of Participant Default. Any default in any material respect by Participant under any of the covenants set forth in this Use Covenant shall be referred to herein as an "Event of Participant Default." Upon an Event of Participant Default, the City shall give written notice of such default to the Participant, specifying the default complained of by the City. The City may not exercise any rights or remedies upon an Event of Participant Default unless such default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default, after written notice thereof from City to Participant, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Participant fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

b. City Default. Any default in any material respect by City under any of

the covenants set forth in this Use Covenant shall be referred to herein as an "Event of City Default." Upon an Event of City Default, the Participant shall give written notice of such default to the City, specifying the default complained of by the Participant. The Participant may not exercise any rights or remedies upon an Event of City Default unless such default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default, after written notice thereof from Participant to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

c. Remedies. In addition to any other rights or remedies the parties may have in equity, either party may institute legal action to cure, correct, or remedy any default, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Use Covenant. Such equitable and/or legal actions must be instituted in Los Angeles Superior Court or United States District Court, Central District.

d. Acceptance of Service of Process. (i) In the event that any legal action is commenced by Participant against City, service of process on City shall be made by personal service upon the City Manager, or in such other manner as may be provided by law. (ii) In the event that any legal action is commenced by City against Participant, service of process on Participant shall be made in such manner as may be provided by law, and shall be valid whether made within or outside the State of California.

e. Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Use Covenant, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other party. Notwithstanding anything to the contrary set forth herein, (a) a party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential, punitive and special damages.

9. Permitted Mortgages. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Use Covenant shall defeat or render invalid or in any way impair the lien or charge of any mortgage permitted by the OPA, and the City shall afford any lender under such mortgage the lender protections provided for in the OPA.

10. Duration of Covenants. Every covenant and condition and restriction contained in this Use Covenant shall remain in effect as follows:

a. The covenants in Sections 3(a), 4, 7, 10, and 11 shall remain in full force and effect until the expiration of the Term, or such earlier termination as is provided for in this Use Covenant.

b. The covenants in Sections 3(b) shall remain in full force and effect in perpetuity.

11. Enforcement. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

12. Liens. Except for encumbrances, liens, levies or attachments relating to property taxes assessed and imposed against the Property, nothing herein contained shall be deemed to prohibit Participant from contesting the validity or amounts of any encumbrance, lien, levy or attachment imposed upon the Property, nor to limit the remedies available to Participant with respect thereto.

13. No Removal from Tax Roll. Participant hereby agrees that during the Term of this Use Covenant, it shall not remove or take any action that would cause the removal of the Property from the Los Angeles County Tax Roll or property assessment in accordance with applicable property tax laws of the State of California unless Participant shall pay the City an amount equal to $300,000 times the number of years remaining of the Term to effectuate a release of the provisions of this Section 13.

14. Environmental Indemnity. Participant shall be solely responsible for the remediation of any Hazardous Materials on, in, under or within the Site, at the sole cost, risk and expense of Participant, to the extent required by Environmental Laws. Participant shall indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against any and all Losses from any and all Claims arising out of a breach by Participant of this Section 14.

15. Prevailing Wage Indemnity. Participant shall indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against any and all Losses from any and all Claims arising out of or resulting from any of the following: (1) the noncompliance by Participant of any applicable local, State and federal law, including, without limitation, any applicable State and federal labor laws (including, without limitation, if applicable, the requirement to pay State prevailing wages); (2) the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code or by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; or (5) failure by Participant to obligate any party as may be required by Labor

Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law.

16. Indemnification Procedures. In connection with any indemnification provided in this Use Covenant in respect of, arising out of, or involving a Loss or a Claim by any Person against the City Indemnified Parties (each, an "Indemnification Claim"), such City Indemnified Parties shall promptly give notice, in writing and in reasonable detail, to Participant thereof; provided, that failure to give reasonable and prompt notification shall not affect the indemnification provided hereunder except to the extent Participant shall have been actually and materially prejudiced as a result of such failure to promptly notify. Participant shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the City Indemnified Parties, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder. If Participant elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the City Indemnified Parties in writing of its intent to do so. If Participant elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, the City Indemnified Parties may (at Participant's sole cost and expense) defend against, control, negotiate, settle or otherwise deal with such Indemnification Claim. If Participant shall assume the defense of any Indemnification Claim, the City Indemnified Parties may participate, at its expense, in the defense of such Indemnification Claim; provided, however, that such City Indemnified Parties shall be entitled to participate in any such defense with separate counsel at the expense of Participant only if (a) so requested by Participant to participate or (b) the nature of the claim creates an ethical conflict for the same counsel to defend the City Indemnified Parties and Participant; and provided, further, that Participant shall not be required to pay for more than one such counsel for all City Indemnified Parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything to the contrary herein, neither Participant nor the City Indemnified Parties shall, without the written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed), settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless (x) the claimant(s) and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim and (y) in the case of any such settlement, compromise, consent to default or to entry of any judgment by Participant, such settlement, compromise or judgment otherwise provides solely for payment of monetary damages for which the City Indemnified Parties will be indemnified in full and shall have no financial responsibility.

17. Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (a) this Use Covenant is in full force and effect and a binding obligation of the parties, (b) this Use Covenant has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting party is not in default in the performance of its obligations under this Use Covenant, or if in default, to describe therein the nature and amount of any such defaults, and (d) such other information as may reasonably be requested. In the event the estoppel certificate discloses any default, breach or event, it shall also

state the manner in which such default, breach and/or event may be cured. The party requesting such certificate or agreement shall provide the form thereof, provided such certificate or agreement is of a form and substance that is commercially reasonable. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The City Manager shall have the right to execute any certificate requested by Participant hereunder. City acknowledges that a certificate hereunder may be relied upon by transferees, lenders and mortgagees, and their respective successors and/or assigns.

18. Counterparts. This Use Covenant may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Use Covenant, which, with all attached signature pages, shall be deemed to be an original Use Covenant.

[SIGNATURES CONTAINED ON THE NEXT PAGE]

IN WITNESS WHEREOF, the City, FEI and the MSG have signed this Use Covenant as of the dates set opposite their signatures.

THE CITY OF INGLEWOOD

Dated: _____

By: _____
James T. Butts, Jr.
Mayor

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____
Name: Marc T. Little
Title: Chief Operating Officer & General Counsel

APPROVED AS TO FORM AND
LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE EAST ALONG THE NORTHERLY LINE OF SECTION 34, WHICH IS ALSO THE CENTERLINE OF MANCHESTER BOULEVARD (100 FEET WIDE), A DISTANCE OF 1182.91 FEET; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 50.00 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID MANCHESTER BOULEVARD, WHICH IS THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 1270.00 FEET; THENCE WEST, A DISTANCE OF 1149.91 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 1234.89 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 72° 30' 30" EAST, ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 55.27 FEET TO A POINT OF TANGENCY IN A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 122.12 FEET; THENCE TANGENT TO SAID CURVE, EAST ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 976.97 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN DEEDS TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-682, PAGE 530, IN BOOK D-1473, PAGE 328, AND IN BOOK D-4209, PAGE 199, ALL OF SAID OFFICIAL RECORDS AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE

OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN SAID DEED RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST, A DISTANCE OF 150.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF PRAIRIE AVENUE, 78.00 FEET WIDE, WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE NORTH ALONG SAID EASTERLY LINE, 107.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 635.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 715.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO A POINT OF TANGENCY WITH SAID SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SECTION 34; THENCE EAST ALONG SAID SOUTHERLY LINE, 3218.78 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 635.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 120.34 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 715.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 262.55 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF THE NORTHERLY 1240.00 FEET OF SAID SECTION 34; THENCE WEST ALONG SAID LAST MENTIONED SOUTHERLY LINE, 2433.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1960.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 476.96 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 2040.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 496.32 FEET; THENCE TANGENT TO SAID CURVE, WEST 190.00 FEET; THENCE NORTH 45° 00' 00" WEST 14.14 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG SAID EASTERLY LINE, 100.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE WESTERLY LINE OF SAID SECTION; SOUTH 00° 00' 05" EAST 1212.20 FEET;

THENCE EAST 33.00 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 45° 00' 00" 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 635.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 715.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO ITS TANGENT INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE ALONG SAID SOUTHERLY LINE, WEST 751.52 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE ALONG SAID EASTERLY LINE, NORTH 00° 00' 05" WEST 107.80 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, 78 FEET WIDE; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY THE DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS OF SAID COUNTY; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED, AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST 150.28 FEET TO THE HEREINBEFORE MENTIONED PRAIRIE AVENUE, 78 FEET WIDE, SAID POINT ALSO BEING ON THE EASTERLY LINE OF THE WESTERLY 33.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 00' 05" EAST 581.80 FEET TO THE NORTHERLY EXTREMITY OF THAT CERTAIN COURSE IN THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO THE FORUM OF INGLEWOOD, INC., RECORDED JULY 26, 1966 AS INSTRUMENT NO. 1944, IN BOOK D-3377, PAGE 47, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS HAVING A BEARING AND LENGTH OF "NORTH 45° 00' 00" WEST 14.14 FEET"; THENCE ALONG LAST MENTIONED LINE, SOUTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 30.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY

AND HAVING A RADIUS OF 28.00 FEET, SAID CURVE ALSO BEING TANGENT AT ITS POINT OF ENDING WITH THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 59' 55", AN ARC DISTANCE OF 43.98 FEET TO SAID POINT OF TANGENCY; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 0° 00' 05" WEST 563.80 FEET; THENCE NORTH 1° 31' 38" EAST 150.03 FEET TO THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE NORTH 0° 00' 05" WEST 253.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 63.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 52' 43", AN ARC DISTANCE OF 81.88 FEET TO THE HEREINBEFORE MENTIONED SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 400.00 FEET, A RADIAL AT SAID POINT BEARS NORTH 16° 07' 22" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 22' 08", AN ARC DISTANCE OF 9.56 FEET; THENCE TANGENT TO SAID CURVE SOUTH 72° 30' 30" WEST 26.65 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM SAID LAND, AN UNDIVIDED 28/200THS OF 1 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM SAID LAND, AS RESERVED BY MANCHESTER AVENUE COMPANY, IN DEED RECORDED AUGUST 31, 1956 AS INSTRUMENT NO. 2084, IN BOOK 52179, PAGE 412, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST OF INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN ALL OIL AND GAS ROYALTIES AND PAYMENTS DERIVED FROM THE EXISTING OIL AND GAS LEASES ON SAID LAND OR ANY PART THEREOF, WHICH ARE PRESENTLY OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED BY INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN DEED RECORDED NOVEMBER 21, 1962 AS INSTRUMENT NO. 1996, IN BOOK D-1829, PAGE 887, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERAL, OIL AND GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR UNDER SAID LAND BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MASON LETTEAU, P.T. HINCON AND JOHN R. MACFADEN, BEING THE SUCCESSOR IN OFFICE OF CHRIS G. DEMETRIOUS AND THEIR SUCCESSORS IN OFFICE AS BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 AS INSTRUMENT NO. 1220, IN BOOK D-2398, PAGE 795, OFFICIAL RECORDS.

APN: 4025-001-002

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[See attached.]

EXHIBIT E

THIS DOCUMENT WAS PREPARED BY,
AND AFTER RECORDING RETURN TO:

_____
_____
_____
_____

(Space Above for Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT ("**Assignment**") is made as of [_____], by and between MSG FORUM, LLC, a Delaware limited liability company ("**Assignor**"), and [_____], a [_____] ("**Assignee**"), with reference to the following facts:

A. The City of Inglewood, a municipal corporation ("**City**"), The Forum Enterprises, Inc., a Delaware corporation ("**FEI**"), and Assignor entered into that certain Owner Participation Agreement dated January [___], 2012 (the "**OPA**"), pertaining to certain real property owned by Assignor and located in the City of Inglewood, California (the "**Property**"), and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference. FEI no longer has any interest in the Property.

B. Assignor operates a venue at the Property commonly referred to as The Forum (the "**Project**").

C. Assignor is conveying title to the Project to Assignee and, in connection therewith, Assignor proposes to assign Assignor's right, title and interest in and to the Project to Assignee.

D. Assignor desires to assign and transfer to Assignee, and Assignee desires to assume, all of Assignor's right, title and interest as the Participant under the OPA with respect to the Project arising from and after the date hereof, subject to all of the terms, conditions and restrictions set forth in the OPA.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants and conditions herein below set forth, it is agreed:

1. Assignor hereby assigns and transfers to Assignee, all of Assignor's right, title and interest accruing to the Participant under the OPA, subject to the terms, covenants and restrictions set forth in the OPA.

2. Assignee hereby assumes all of the obligations under the OPA and agrees to observe and fully perform all of the duties and obligations of Assignor under the OPA, and to be

subject to the terms and conditions thereof, it being the express intention of both Assignor and Assignee that, upon execution of this Assignment and conveyance of the Property to the Assignee, Assignee shall become substituted for Assignor as "Participant" and "Party" under the OPA and the Assignor shall be unconditionally and irrevocably released therefrom from and after the date hereof.

3. Assignor warrants and represents to Assignee that Assignor has full right and authority to make this Assignment and vest in Assignee the rights, interests, powers and benefits hereby assigned.

4. Assignee warrants and represents to Assignor that Assignee has full right and authority to execute this Assignment.

5. This Assignment is expressly conditioned upon the Closing of the transaction contemplated in the Purchase Agreement.

6. This Assignment is not intended as a mortgage or security device of any kind.

7. Notwithstanding anything to the contrary contained herein, the assumption by Assignee of any obligations pursuant to this Assignment is not, and shall not be construed to be, for the benefit of Assignor, and under no circumstances shall Assignor or any affiliate of Assignor have any liability to Assignee with respect to such assumed obligations or otherwise.

8. This Assignment may be executed in counterparts which taken together shall constitute one and the same instrument.

9. The provisions of this instrument shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

10. Assignor and Assignee each hereby covenants that it will, at any time and from time to time, execute any documents and take such additional actions as the other, or its respective successors or assigns, shall reasonably require in order to more completely or perfectly carry out the transfers intended to be accomplished by this Assignment.

11. This Assignment shall be construed and interpreted in accordance with the laws of the State of California.

[SIGNATURE PAGES TO FOLLOW]

EXHIBIT E

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first set forth above.

"**ASSIGNOR**"

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

EXHIBIT E

"ASSIGNEE"

_____,
a _____

By: _____
Name _____
Title: _____

EXHIBIT E

ACKNOWLEDGED AND AGREED:

"**CITY**" [IF REQUIRED]

CITY OF INGLEWOOD,
a municipal corporation

By: _____

_____, Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

EXHIBIT "A"

TO

ASSIGNMENT AND ASSUMPTION OF
AGREEMENT

LEGAL DESCRIPTION

Real property in the County of Los Angeles, State of California, described as follows:

EXHIBIT F

FORM OF RELEASE OF CONSTRUCTION COVENANTS

[See attached.]

EXHIBIT F

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Inglewood
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attention: City Attorney

Exempt from recording fees pursuant to
California Gov't Code Section 6103

Space above this line for Recorder's use.

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS (this "**Release**") is made by the CITY OF INGLEWOOD, a municipal corporation (the "**City**"), effective as of _____, 20__.

RECITALS

A. MSG Forum, LLC, a Delaware limited liability company ("**Participant**"), The Forum Enterprises, Inc., a Delaware corporation, and City entered into that certain Owner Participation Agreement (the "**OPA**") dated _____, 2012. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the OPA.

B. Pursuant to Section 3.20 of the OPA, within thirty (30) days after Completion of the Rehabilitation Improvements contemplated by the Scope of Work in accordance with the provisions of the OPA and upon written request of Participant, the City has agreed to provide an instrument in the form of this Release, certifying such Completion.

C. Pursuant to Section 3.13 of the OPA, the City and Participant have entered into that certain Agreement Regarding Use Covenants, dated _____ (the "**Use Covenant**") containing certain use restrictions and maintenance covenants.

D. The City has now determined that the Rehabilitation Improvements have been satisfactorily completed in accordance with the OPA.

NOW, THEREFORE, City hereby certifies as follows:

1. Completion of the Rehabilitation Improvements has occurred.

2. All use, maintenance and nondiscrimination covenants contained in the Use Covenant shall remain in effect and enforceable in accordance with their terms. This Release

does not constitute evidence of Participant's compliance with those covenants in the Use Covenant that survive the issuance of this Release.

3. This Release does not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust securing money loaned to finance the Rehabilitation Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.

4. Nothing contained in this instrument shall modify any provisions of the OPA or any other document executed in connection therewith.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXHIBIT F

IN WITNESS WHEREOF, City has executed and issued this Release as of the date first written above.

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

EXHIBIT G

RESERVED

EXHIBIT H

EMPLOYMENT AND TRAINING REQUIREMENTS

The term "Participant," as used in this Exhibit H, shall refer to MSG, as Participant.

Workforce Outreach Coordination Program. In consultation with the City and subject to its review, Participant shall prepare, initiate and fund a Workforce Outreach Coordination Program (the "**WOCP**") in the aggregate amount of $250,000, over a period of two (2) years, starting from the Effective Date. Funding for the WOCP shall include the costs of outreach and marketing, and the retention of a qualified Workforce Outreach Coordinator. Participant shall hire a local qualified Workforce Outreach Coordinator whose job responsibilities shall include marshaling and coordinating workforce outreach, training and placement programs for the following types of positions: (i) construction jobs; (ii) employees working for contractors, subcontractors and vendors in connection with Forum operations (*e.g.*, food and beverage concessions or security); and (iii) employees working for Participant-owned facilities at the Forum. The Workforce Outreach Coordinator shall also marshal and coordinate workforce outreach, training and placement programs in order to engage in the following community outreach activities: (i) notification and advertising of available workforce programs; (ii) establishing a community resources list that will include the Inglewood Chamber of Commerce, the Inglewood Partners for Progress, service organizations, block clubs, community town hall meetings, and religious organizations; and (iii) notification and advertising of upcoming job opportunities and job fairs as described below. The overall objectives and goals of the WOCP shall include the following: (i) establishing strategic community outreach partners with existing organizations such as community organizations, churches, and state and local resources; (ii) partnering with community organizations to facilitate intake and assess potential job training candidates; (iii) building working relationships with contractors, religious organizations, local political leaders and other local organizations; (iv) working with contractors to estimate the number of employment opportunities and required skills; and (v) monitoring efforts by contractors as required in this Exhibit H. In furtherance of these objectives, the Workforce Outreach Coordinator shall also coordinate with existing organizations, which offer employment and training programs for Inglewood residents, including the South Bay Workforce Investment Board and other similar organizations so that the expertise of specific organizations is matched with the particular need of the Project, it being recognized that the needs of the Project and the available organizations will change over time.

Local Employment Opportunities. The renovation of the Forum presents a unique opportunity to revitalize an iconic venue. It is anticipated that the increased number of events at the Forum will result in additional employment opportunities for Inglewood residents and businesses. Participant shall engage in the following process with the goal of hiring qualified Inglewood residents for no less than 35% of the employment positions needed in connection with Participant's operation of the Forum and by Participant's contractors, subcontractors and vendors with respect to events: (i) upon commencement of a job search, publication of employment opportunities once each week in a newspaper of general circulation in Inglewood for at least three weeks (unless the job is filled sooner), and (ii) utilization of the resources and networks of the WOCP to identify and solicit qualified Inglewood residents. Participant and its contractors, subcontractors and vendors' obligations with respect to this goal

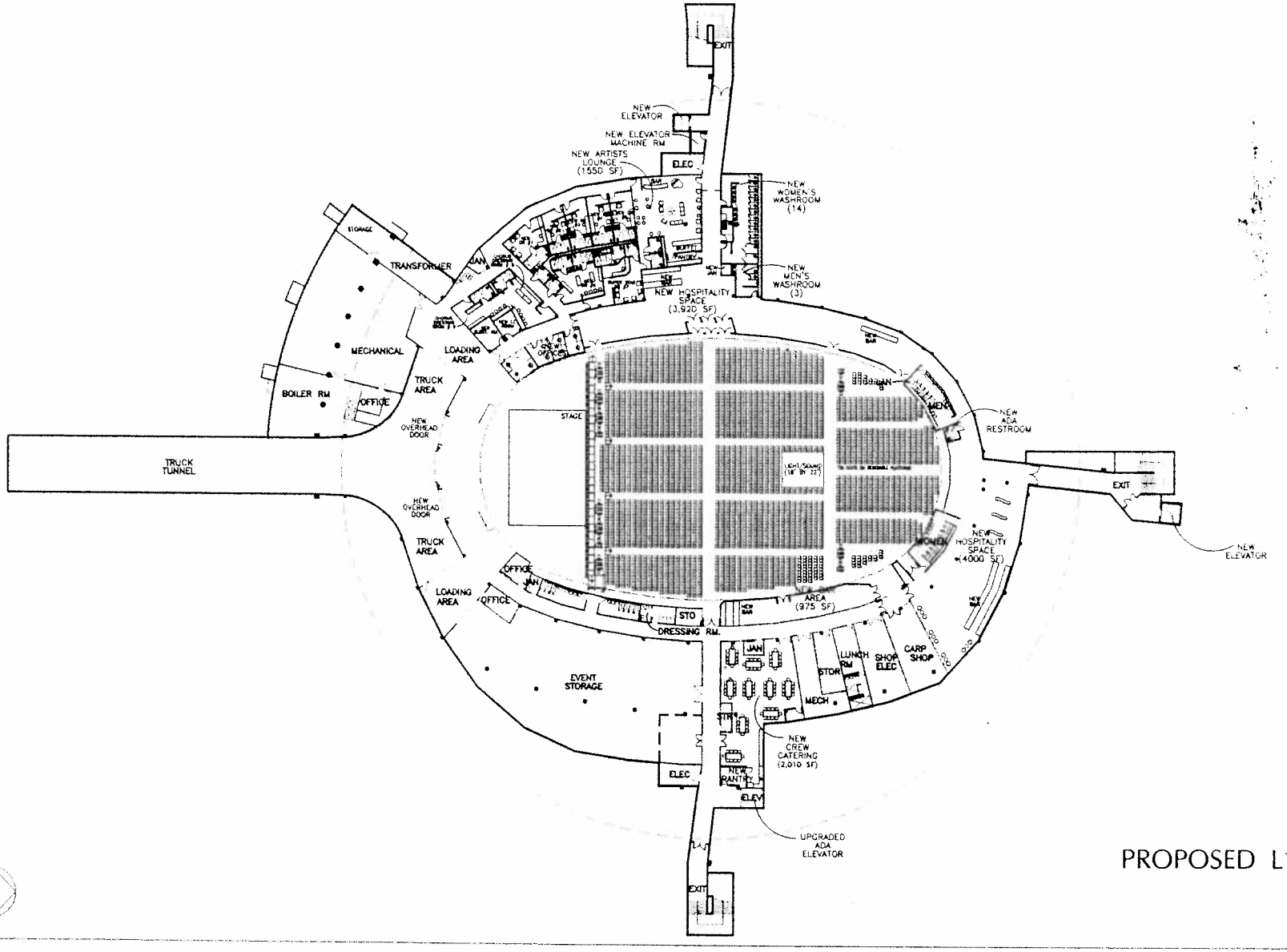
shall be satisfied by engaging in the following activities: (i) utilization of the WOCP to identify and solicit qualified Inglewood residents; (ii) coordination with organizations such as the Inglewood Chamber of Commerce and Inglewood Partners for Progress to identify and solicit qualified Inglewood residents; and (iii) funding (by Participant only) and participation in job fairs as further provided in this Exhibit H.

MBE/DBE Participation Goals. Participant shall require that all construction contractors shall have a goal to achieve participation by MBE/DBEs of at least 30% of the total value of funds awarded for contracts and subcontracts related to construction activities during the Project, with a goal of at least 50% of such 30% goal being awarded to local qualified businesses located in Inglewood. Participant's and its contractors' obligations with respect to this goal shall be satisfied by engaging in the following activities: (i) utilization of the WOCP to identify and solicit MBE/DBEs; (ii) coordination with organizations such as the Inglewood Chamber of Commerce and Inglewood Partners for Progress to identify and solicit MBE/DBEs; and (iii) funding (by Participant only) and participation in job fairs as further provided in this Exhibit H.

Job Fairs. Participant shall contribute a maximum of $25,000 over the lifetime of the Project in order to fund at least two (2) job fairs and related advertising and promotion for the job fairs, in addition to the funding of the WOCP. At least one job fair shall take place three (3) months prior to the commencement of the Project, with the second job fair to take place no later than six (6) months prior to the first ticketed event held after the reopening of the Forum. All job fairs shall be conducted at the Forum, shall be open to the general public and shall include information about available employment opportunities as well as opportunities to submit resumes and applications. Participant shall publish notice of the jobs fair once each week in a newspaper of general circulation in Inglewood for three weeks prior to the jobs fair. Participant shall coordinate and consult with the City in the development and presentation of the job fairs as part of the WOCP.

EXHIBIT I

PLANS

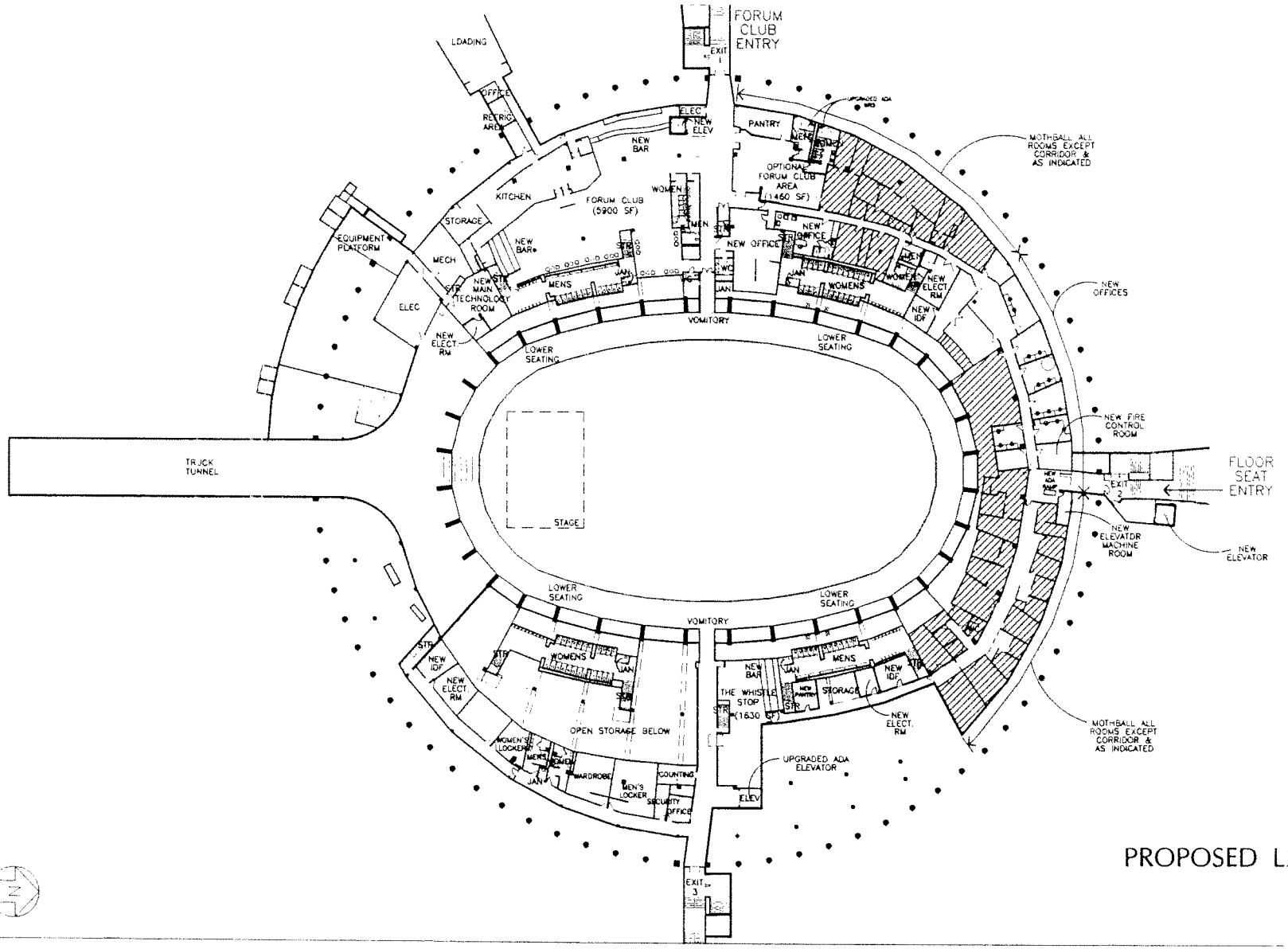


PROPOSED L1- EVENT LEVEL
KEY PLAN
1" = 50'

BBB ARCHITECTS
07-Nov-11

THE FORUM RENOVATION
INGLEWOOD CALIFORNIA

MSG

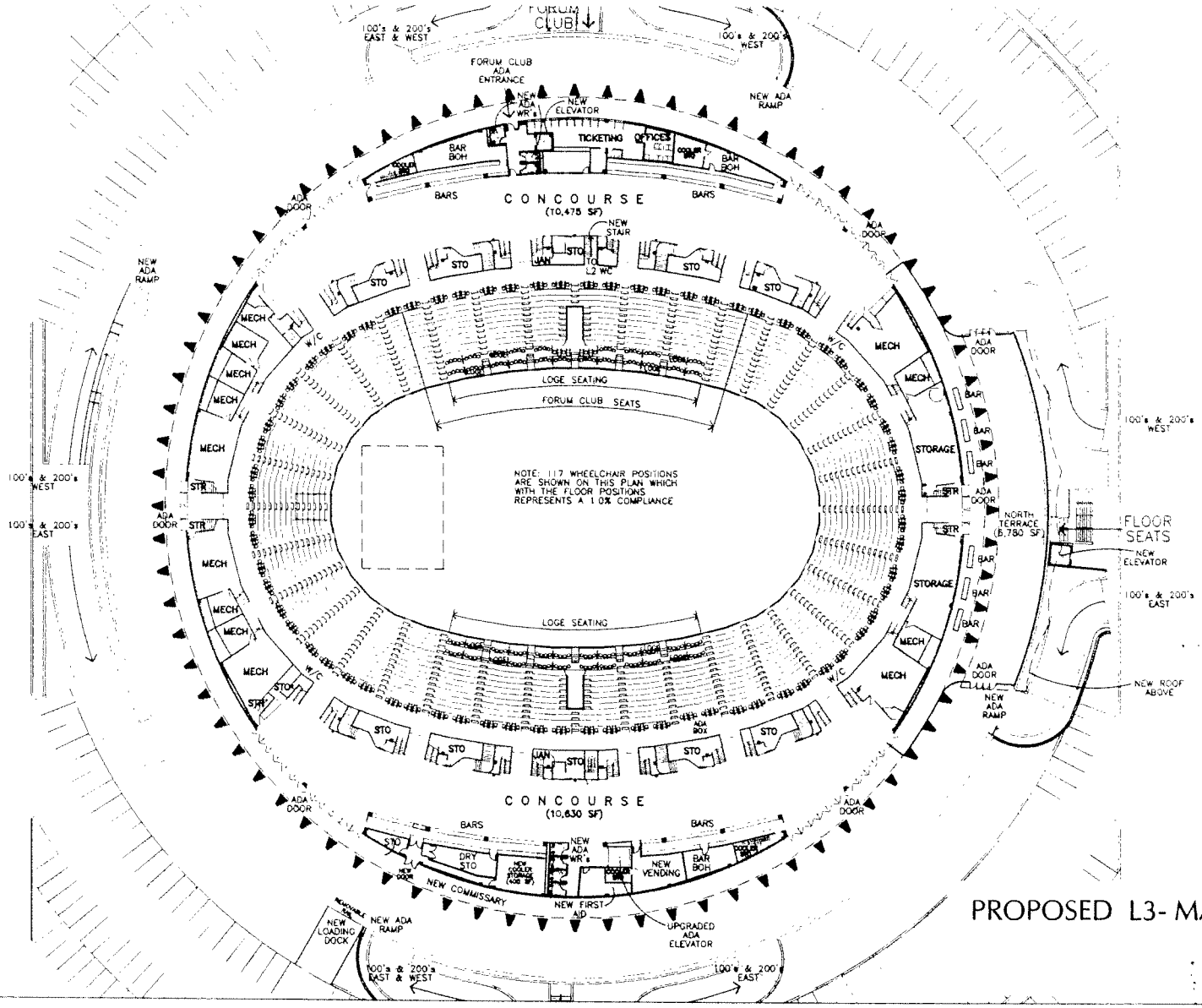


PROPOSED L2- FORUM CLUB
KEY PLAN
1" = 50'

BBB ARCHITECTS
07-Nov-11

THE FORUM RENOVATION
INGLEWOOD CALIFORNIA

MSG



PROPOSED L3- MAIN CONCOURSE
KEY PLAN
1" = 50'

BBB ARCHITECTS
07-Nov-11

THE FORUM RENOVATION
INGLEWOOD CALIFORNIA

MSG

EXHIBIT J

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

Note Amount: $18,000,000 Inglewood, California

_____, 2012

FOR VALUE RECEIVED, the undersigned ("**Borrower**") promises to pay to the CITY OF INGLEWOOD ("**City**") at One Manchester Boulevard, 9th Floor, Inglewood, California 90301, or at such other address as City may direct from time to time in writing, the principal sum of Eighteen Million Dollars ($18,000,000) (the "**Loan Amount**"), as provided in this Promissory Note ("**Note**"). All sums hereunder shall be payable in lawful money of the United States of America.

1. **Definitions**.

For purposes of this Note, the following Capitalized Terms shall have the following meanings:

"**City Loan**" shall mean the loan evidenced by this Note that the City is making to Borrower;

"**Deed of Trust**" shall mean that certain Deed of Trust of even date herewith and executed by Borrower, which Deed of Trust shall secure this Note;

"**Effective Date**" shall mean the date upon which Borrower receives the Loan Amount in accordance with the terms of the OPA;

"**Event of Default**" shall have the meaning ascribed thereto in Section 7 in this Note;

"**FEI**" shall mean The Forum Enterprises, Inc., a Delaware corporation;

"**Forum**" shall mean the edifice located upon the Property sometimes known as the Forum;

"**Loan Year**" shall mean each 365-day period following the Effective Date;

"**OPA**" shall mean that certain Owner Participation Agreement dated January [___], 2012, by and among the City, FEI and Borrower;

"**Property**" shall mean that certain real property, more particularly described in the OPA, including the Forum and other improvements constructed thereon; and

"**Use Restriction**" shall mean the restriction on the use of the Property set forth in Section 3(a) of the Agreement Regarding Use Covenants, which is hereby fully incorporated by reference into this Note.

2. **City Loan**.

This Note is made and delivered pursuant to the OPA, whereby City has made the City Loan to Borrower, the current principal sum of which is the Loan Amount, for the purpose of the rehabilitation by Borrower of the applicable portions of the Property in accordance with the requirements set forth in the OPA. This Note is also made and delivered in connection with the Agreement Regarding Use Covenants entered into by and between City and Borrower pursuant to the OPA, which provides for the use of the Property and the Forum in accordance with the terms and conditions set forth in such Agreement Regarding Use Covenants.

3. **Terms of Note**.

(a) This Note shall bear interest at the rate of three percent (3%) per annum, starting at the beginning of the sixth (6th) Loan Year.

(b) The outstanding principal balance of this Note, together with accrued interest, shall be fully due and payable on [_____], which date shall be the end of the tenth (10th) Loan Year, subject to loan forgiveness as provided in Section 4 below.

(c) Any outstanding principal and interest under this Note may be prepaid, at any time, in whole or in part, without penalty.

4. **Loan Forgiveness**.

(a) At the end of the fifth (5th) Loan Year, Nine Million Dollars ($9,000,000) of the Loan Amount shall automatically be forgiven.

(b) At the end of the sixth (6th) Loan Year, and at the end of each Loan Year thereafter, One Million Eight Hundred Thousand Dollars ($1,800,000) of the remaining Loan Amount shall automatically be forgiven, together with all accrued interest as of each such date, as more particularly set forth below:

[REMAINDER OF PAGE INTENTIONALLY BLANK]

End of Loan Year	Loan Balance at End of Loan Year	Interest Accrued and Forgiven for Loan Year	Principal Forgiven for Loan Year
5	$9,000,000	$0	$9,000,000
6	$7,200,000	$270,000	$1,800,000
7	$5,400,000	$216,000	$1,800,000
8	$3,600,000	$162,000	$1,800,000
9	$1,800,000	$108,000	$1,800,000
10	$0	$54,000	$1,800,000

5. **Reserved**.

6. **Application of Payments; Late Charges**.

(a) Any payments received by the City pursuant to the terms hereof shall be applied first to sums, other than principal, due the City pursuant to this Note, and the balance, if any, to the payment of principal.

(b) If any payment is not received by the City within ten (10) days after the respective due date, then in addition to the remedies conferred upon the City pursuant to this Note, a late charge of ten percent (10%) of the amount due and unpaid will be added to the delinquent amount to compensate the City for the expense of handling the delinquency. Without prejudice to the rights of the City hereunder, Borrower shall indemnify the City against, and shall pay the City on demand, any expense or loss which it may sustain or incur as a result of the failure by Borrower to pay when due any principal, fees, or other amounts payable to the City under this Note, to the extent that any such expense or loss is not recovered pursuant to such foregoing provisions.

7. **Event of Default**.

The failure by Borrower to comply with the Use Restriction without having made the Alternative Use Payment as provided in Section 3(a) of the Agreement Regarding Use Covenants shall be deemed an Event of Default hereunder, *provided*, the City shall not exercise any of its remedies as the result of such Event of Default unless the City first gives notice to the Borrower as provided in Section 9 and the Borrower fails to cure such Event of Default within the time provided in Section 9(b) below.

8. **Remedies**.

Upon the occurrence of an Event of Default, the giving of notice and the expiration of any applicable cure period therefor, City may declare all sums evidenced hereby immediately due and payable by delivery to the Borrower of a written declaration of default and demand for payment. No delay or omission on the part of the City in exercising any right under this Note shall operate as a waiver of such right.

9. **Notice of Default**.

(a) The Borrower must immediately commence to cure, correct, or remedy any failure or delay constituting an Event of Default and shall complete such cure, correction or remedy with reasonable diligence.

(b) The City shall give thirty (30) days' written notice of default to the Borrower, specifying the default complained of by the City. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by the City in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by the City in asserting any of its rights and remedies shall not deprive the City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

10. **Attorneys' Fees**.

(a) Borrower agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by City, or adjudged by a court: (i) reasonable costs of collection, costs, and expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (ii) costs of suit and such sum as the court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it.

(b) In addition to the foregoing award of attorneys' fees, City shall be entitled to its attorneys' fees incurred in any postjudgment proceedings to enforce any judgment in Connection with this Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

(c) In the event of any other dispute arising in connection with this Note, the prevailing party shall be entitled to its costs and fees, including reasonable attorneys' fees.

11. **Amendments**.

This Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Note so as to become a permanent part thereof.

12. **Severability**.

The covenants of this Note are severable. Invalidation of any covenant or any part thereof by law, judgment, or court order shall not affect any other covenant.

13. **Borrower's Waivers**.

Borrower waives any right to require the City to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor") (c) to obtain an official certification of nonpayment (known as "protest").

14. **Notices**.

Any notice that must be given to Borrower under this Note shall be given by delivering it or mailing it by certified mail addressed to Borrower at the following address:

To Borrower:	MSG Forum, LLC c/o MSG Holdings, L.P. 2 Penn Plaza New York, New York 10121 Attention: General Counsel Telephone: (212) 465-6300
To City:	The City of Inglewood One Manchester Boulevard, 9th Floor Inglewood, California 90301 Attention: City Manager Telephone: (310) 412-5290

Any notice that must be given to the City under this Note will be given by mailing it certified mail at the address above. A notice shall be mailed to the City at a different address if the Borrower is given a notice of that different address.

15. **Non-Waiver**.

Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment.

16. **Transfers and Assignments**.

This Note is not transferrable except (a) by Borrower, in connection with a transfer of the Property, and (b) by City, in connection with a transfer to a successor governmental agency.

17. **Successors Bound**.

This Note shall be binding upon the parties hereto and their respective heirs, successors and assigns.

[SIGNATURE FOLLOWS ON NEXT PAGE]

Executed in Inglewood, California, as of the day and year first above written.

"**Borrower**":

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

EXHIBIT K

FORM OF DEED OF TRUST

EXHIBIT K

OFFICIAL BUSINESS:

Document entitled to free recording per
California Government Code Sections
6103 and 27383

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

The City of Inglewood
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attention: City Manager

DEED OF TRUST

THIS DEED OF TRUST ("Deed of Trust"), is executed as of [_____], by MSG FORUM, LLC, a Delaware limited liability company ("Trustor"), FIRST AMERICAN TITLE INSURANCE COMPANY ("Trustee"), and the CITY OF INGLEWOOD, a municipal corporation ("Beneficiary").

ARTICLE 1. GRANT IN TRUST

For the purposes and upon the terms and conditions set forth in this Deed of Trust, Trustor irrevocably grants, conveys and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, that certain real property described on Exhibit A attached hereto (the "Land"), together with the following, whether now or hereafter existing, except to the extent that any of the following or the foregoing constitutes personal property: (1) all buildings, structures and other improvements erected or located on the Land (collectively, the "Real Property Improvements"); and (2) all easements, rights-of-way or use, air rights and development rights, and other estates, right, title, interest, privileges and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to or benefiting the Land or the Real Property Improvements (collectively, the "Real Property Other Interests"). Collectively, the Land, the Real Property Improvements and Real Property Other Interests are referred to as the "Real Property." **ARTICLE 2.**

OBLIGATIONS SECURED

2.1 **OBLIGATIONS SECURED**. Trustor makes this Deed of Trust for the purpose of securing Trustor's obligations with respect to payment to Beneficiary of all sums at any time owing under that certain Promissory Note ("Note") of even date herewith, in the original principal amount of EIGHTEEN MILLION DOLLARS ($18,000,000), executed by Trustor and payable to the order of Beneficiary, as lender (the "Secured Obligations").

EXHIBIT K

2.2 **INCORPORATION**. All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Real Property shall be deemed to have notice of the terms of the Secured Obligations.

ARTICLE 3. RIGHTS AND DUTIES OF THE PARTIES

3.1 **ACCEPTANCE OF TRUST; POWERS AND DUTIES OF TRUSTEE**.

(a) Trustee accepts this trust when this Deed of Trust is recorded. Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies.

(b) Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in, or defend any action, suit, or other proceeding in connection therewith where, in his opinion, such action would be likely to involve him in expense or liability, unless requested so to do by a written instrument signed by Beneficiary and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to Trustee against any and all cost, expense, and liability arising therefrom. Trustee shall not be responsible for the execution, acknowledgment, or validity of the Note, or for the proper authorization thereof, or for the sufficiency of the lien and security interest purported to be created hereby, and Trustee makes no representation in respect thereof or in respect of the rights, remedies, and recourses of Beneficiary.

(c) With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) to select and employ, in and about the execution of his duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith, and (iv) any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Real Property for debts contracted for or liability or damages incurred in the management or operation of the Real Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by Trustee in the performance of Trustee's duties

hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

(d) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(e) Should any deed, conveyance, or instrument of any nature be required from Trustor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to the Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by the Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Trustor.

3.2 **SUBSTITUTION OF TRUSTEE**. From time to time, by a writing, signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of Los Angeles County, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this Section 3.2shall be conclusive proof of the proper substitution of such new Trustee.

3.3 **RECONVEYANCE**. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust or a certified copy thereof and any note, instrument, or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Real Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Real Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Real Property to the person or persons legally entitled thereto.

3.4 **SUBORDINATION**.

(a) General. Payment of the principal of and interest on the Note (and other amounts payable on or in respect thereof) (the "Subordinated Debt") shall be subordinate and subject in right of payment to the prior payment in full in cash of all Senior Debt (as defined below). The Beneficiary hereby agrees that it will not ask, demand, sue for, take or receive from the Trustor, by set-off or in any other manner, or retain, payment (in whole or in part) of the obligations hereunder, or any security therefor, unless and until all of the Senior Debt has been paid in full in cash. The Beneficiary directs the Trustor to make, and the Trustor agrees to make, such prior payment of the Senior Debt.

"Senior Debt" means capitalized lease obligations of the Trustor and other indebtedness of the Trustor for borrowed money (whether by loan or the issuance and sale of debt securities)

or for the deferred purchase or acquisition price of property or services in respect of which the Trustor is the purchaser, other than accounts payable (other than for borrowed money) incurred in the ordinary course of business of the Trustor. Without limiting the generality of the foregoing, for the avoidance of doubt, (a) such term shall include (1) all obligations of the Trustor under swap, forward, option, index, commodity, derivative or other similar transactions, (2) all Indebtedness of others guaranteed by the Trustor and (3) all commissions, fees, indemnities, prepayment premiums and other amounts payable to Senior Lenders (as defined below) under the Senior Loan Agreements (as defined below), and postpetition interest and postpetition attorneys' fees and costs, whether or not allowable in bankruptcy).

"Senior Lender" means the providers of Senior Debt.

"Senior Loan Agreements" means the individual loan agreements, indentures or other instruments entered into by the Trustor and the Senior Lenders with respect to Senior Debt.

(b) Payment Upon Dissolution, Etc. In the event of (a) any insolvency or bankruptcy case or proceeding in connection therewith, relative to the Trustor or to its creditors as such, or to its assets, or (b) any liquidation, dissolution or other winding up of the Trustor, whether partial or complete and whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (c) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of the Trustor, then and in any such event the Senior Lenders shall be entitled to receive payment in full in cash of all amounts due or to become due on or in respect of all Senior Debt before the Beneficiary shall be entitled to receive any payment on account of the Subordinated Debt (whether in respect of principal, interest premium, fees, indemnities, commissions or otherwise) and to that end, any payment or distribution of any kind or character, whether in cash, property or securities which may be payable or deliverable in respect of the Subordinated Debt in any such case, proceeding, dissolution, liquidation or other winding up or event shall instead be paid or delivered to the Senior Lenders for application to Senior Debt, whether or not due, until Senior Debt shall have first been fully paid and satisfied in cash.

(c) No Payment When Senior Debt in Default. In the event and during the continuation of any Senior Debt Default (as defined below), unless and until such Senior Debt Default shall have been remedied or waived, no payment shall be made by the Trustor on or in respect of the Subordinated Debt. "Senior Debt Default" means any Default, Event of Default, Prospective Default or similar term under a Senior Loan Agreement.

(d) Proceeding Against the Trustor; No Collateral. Whether or not any default in payment shall exist under any Senior Loan Agreement, the Beneficiary shall not (a) commence any proceeding against the Trustor in bankruptcy, insolvency or receivership law or (b) take any collateral security for the Subordinated Debt.

(e) Payment to Senior Lenders of Certain Amounts Received by the Beneficiary. In the event that during the continuation of any Senior Debt Default, the Beneficiary receives on account or in respect of the Subordinated Debt any distribution of assets by the Trustor or payment by or on behalf of the Trustor of any kind or character, whether in cash, securities or other

property, the Beneficiary shall hold in trust (as property of the Senior Lenders) for the benefit of, and immediately upon receipt thereof, shall pay over or deliver to the Senior Lenders such distribution or payment, in precisely the form received (except for the endorsement or assignment by the Beneficiary where necessary) for application in accordance with the Senior Loan Agreements. In the event of failure of the Beneficiary to make any such endorsement or assignment, Senior Lenders irrevocably are authorized and empowered by and on behalf of the Beneficiary to make the same.

(f) Notice. The Beneficiary agrees, for the benefit of each Senior Lender, that if a Senior Lender provides Beneficiary with an address for notice, Beneficiary will give such Senior Lender prompt notice of any default by the Trustor in respect of the Subordinated Debt.

(g) No Waiver; Modification to Senior Debt. No failure on the part of Senior Lenders, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof by Senior Lenders, nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or future exercise by Senior Lenders of any other right, remedy or power. Each and every right, remedy and power granted to Senior Lenders, or allowed Senior Lenders by law or other agreement shall be cumulative and not exclusive, and may be exercised by Senior Lenders, from time to time.

(h) Subrogation. Subject to the payment in full in cash of all Senior Debt, the Beneficiary shall be subrogated to the rights of the Senior Lenders to receive distribution of assets of the Trustor, or payments by or on behalf of the Trustor, made on the Senior Debt, until Subordinated Debt shall be paid in full. For purposes of such subrogation, no payments over, including no payments or distributions to the Senior Lenders of any cash, property or securities to which the Beneficiary would be entitled except for the provisions hereof, pursuant to the provisions hereof, to Senior Lenders by the Beneficiary shall, as among the Trustor, its creditors other than the Senior Lenders and the Lenders, be deemed to be a payment or distribution by the Trustor on account of the Senior Debt.

ARTICLE 4. DEFAULT PROVISIONS

4.1 **DEFAULT**. For all purposes hereof, the term "Default" shall mean an Event of Default, as such term is defined in the Note, for which Beneficiary has declared all sums evidenced by the Note immediately due and payable, and for which Beneficiary has delivered to Trustor a written declaration of default and demand for payment in accordance with Section 8 of the Note.

4.2 **RIGHTS AND REMEDIES**. At any time after Default, Beneficiary and Trustee shall each have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable;

(b) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy;

EXHIBIT K

(c) To execute a written notice of such Default and of its election to cause the Real Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Real Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Real Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Real Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Real Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale;

(d) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Trustee and Beneficiary, or either of them, determine in their sole discretion.

(e) Upon sale of the Real Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Real Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Real Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Real Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Real Property prior to resale, costs of resale (e.g. commissions, attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Real Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary; (iv) declining trends in real property values generally and with respect to properties similar to the Real Property; (v) anticipated discounts upon resale of the Real Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; <u>and</u> (vii) such other factors or matters that Beneficiary (in its reasonable discretion) deems appropriate. In regard to the above, Trustor acknowledges and agrees that: (w) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between

Trustor and Beneficiary; and (z) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Real Property.

4.3 **APPLICATION OF FORECLOSURE SALE PROCEEDS**. After deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, Trustee shall apply all proceeds of any foreclosure sale: (a) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.

4.4 **NO CURE OR WAIVER**. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Real Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of or security interests created by this Deed of Trust.

4.5 **POWER TO FILE NOTICES AND CURE DEFAULTS**. Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) upon the issuance of a deed pursuant to the foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Real Property, in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, and (b) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Real Property.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 **ENTIRE AGREEMENT**. This Deed of Trust and the Note contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations.

5.2 **MERGER**. No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Real Property unless Beneficiary consents to a merger in writing.

5.3 **RULES OF CONSTRUCTION**. When the identity of the parties or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Real Property" means all and any part of the Real Property, and any interest in the Real Property.

EXHIBIT K

5.4 **SUCCESSORS IN INTEREST**. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

5.5 **EXECUTION IN COUNTERPARTS**. To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

5.6 **CALIFORNIA LAW**. This Deed of Trust shall be construed in accordance with the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California.

5.7 **INCORPORATION**. Exhibit A, as attached, is incorporated into this Deed of Trust by this reference.

5.8 **NOTICES**. All notices, demands or other communications required or permitted to be given pursuant to the provisions of this Deed of Trust shall be in writing and shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that notice of Default may be sent by certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt at the address set forth below; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

To Trustor:	MSG Forum, LLC c/o MSG Holdings, L.P. 2 Penn Plaza New York, New York 10121 Attention: General Counsel Telephone: (212) 465-6300
with a copy to:	Gibson, Dunn & Crutcher LLP 333 S. Grand Avenue, Suite 4900 Los Angeles, California 90071 Attention: Amy R. Forbes, Esq. Telephone: (213) 229-7151
To Beneficiary:	The City of Inglewood One Manchester Boulevard, 9th Floor

EXHIBIT K

	Inglewood, California 90301 Attention: City Manager Telephone: (310) 412-5290
with a copy to:	City Attorney's Office One Manchester Boulevard, 8th Floor Inglewood, California 90301 Attention: City Attorney Telephone: (310) 412-5372
	City Clerk's Office One Manchester Boulevard, 1st Floor Inglewood, California 90301 Attention: City Clerk Telephone: (310) 412-5290
(which will not constitute notice to the City)	Kane, Ballmer & Berkman 515 S. Figueroa Street, Suite 1850 Los Angeles, California 90071 Attention: Royce K. Jones, Esq. Telephone: (213) 617-0480
Trustee:	First American Title Insurance Company _____ _____ Attention: _____ Telephone: _____

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove. Trustor shall forward to Beneficiary, without delay, any notices, letters or other communications delivered to the Real Property or to Trustor naming Beneficiary, "Lender" or any similar designation as addressee, or which could reasonably be deemed to affect the ability of Trustor to perform its obligations to Beneficiary under the Note.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXHIBIT K

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)

COUNTY OF)

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

EXHIBIT A
DESCRIPTION OF REAL PROPERTY

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE EAST ALONG THE NORTHERLY LINE OF SECTION 34, WHICH IS ALSO THE CENTERLINE OF MANCHESTER BOULEVARD (100 FEET WIDE), A DISTANCE OF 1182.91 FEET; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 50.00 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID MANCHESTER BOULEVARD, WHICH IS THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 1270.00 FEET; THENCE WEST, A DISTANCE OF 1149.91 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 1234.89 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 72° 30' 30" EAST, ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 55.27 FEET TO A POINT OF TANGENCY IN A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 122.12 FEET; THENCE TANGENT TO SAID CURVE, EAST ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 976.97 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN DEEDS TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-682, PAGE 530, IN BOOK D-1473, PAGE 328, AND IN BOOK D-4209, PAGE 199, ALL OF SAID OFFICIAL RECORDS AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN SAID DEED RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST, A DISTANCE OF 150.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF PRAIRIE AVENUE, 78.00 FEET WIDE, WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE NORTH ALONG SAID EASTERLY LINE, 107.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 635.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 715.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO A POINT OF TANGENCY WITH SAID SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SECTION 34; THENCE EAST ALONG SAID SOUTHERLY LINE, 3218.78 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 635.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 120.34 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE

SOUTHWEST AND HAVING A RADIUS OF 715.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 262.55 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF THE NORTHERLY 1240.00 FEET OF SAID SECTION 34; THENCE WEST ALONG SAID LAST MENTIONED SOUTHERLY LINE, 2433.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1960.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 476.96 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 2040.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 496.32 FEET; THENCE TANGENT TO SAID CURVE, WEST 190.00 FEET; THENCE NORTH 45° 00' 00" WEST 14.14 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG SAID EASTERLY LINE, 100.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE WESTERLY LINE OF SAID SECTION; SOUTH 00° 00' 05" EAST 1212.20 FEET; THENCE EAST 33.00 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 45° 00' 00" 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 635.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 715.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO ITS TANGENT INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE ALONG SAID SOUTHERLY LINE, WEST 751.52 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE ALONG SAID EASTERLY LINE, NORTH 00° 00' 05" WEST 107.80 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, 78 FEET WIDE; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY THE DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS OF SAID COUNTY; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED, AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST 150.28 FEET TO THE HEREINBEFORE MENTIONED PRAIRIE AVENUE, 78 FEET WIDE, SAID POINT ALSO BEING ON THE EASTERLY LINE OF THE WESTERLY 33.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 00' 05" EAST 581.80 FEET TO THE NORTHERLY EXTREMITY OF THAT CERTAIN COURSE IN THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO THE FORUM OF INGLEWOOD, INC., RECORDED JULY 26, 1966 AS INSTRUMENT NO. 1944, IN BOOK D-3377, PAGE 47, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS HAVING A BEARING AND LENGTH OF "NORTH 45° 00' 00" WEST 14.14 FEET"; THENCE ALONG LAST MENTIONED LINE, SOUTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 30.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 28.00 FEET, SAID CURVE ALSO BEING TANGENT AT ITS POINT OF ENDING WITH THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 59' 55", AN ARC DISTANCE OF 43.98 FEET TO SAID POINT OF TANGENCY; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 0° 00' 05" WEST 563.80 FEET; THENCE NORTH 1° 31' 38" EAST 150.03 FEET TO THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE NORTH 0° 00' 05" WEST 253.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 63.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 52' 43",

AN ARC DISTANCE OF 81.88 FEET TO THE HEREINBEFORE MENTIONED SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 400.00 FEET, A RADIAL AT SAID POINT BEARS NORTH 16° 07' 22" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 22' 08", AN ARC DISTANCE OF 9.56 FEET; THENCE TANGENT TO SAID CURVE SOUTH 72° 30' 30" WEST 26.65 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM SAID LAND, AN UNDIVIDED 28/200THS OF 1 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM SAID LAND, AS RESERVED BY MANCHESTER AVENUE COMPANY, IN DEED RECORDED AUGUST 31, 1956 AS INSTRUMENT NO. 2084, IN BOOK 52179, PAGE 412, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST OF INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN ALL OIL AND GAS ROYALTIES AND PAYMENTS DERIVED FROM THE EXISTING OIL AND GAS LEASES ON SAID LAND OR ANY PART THEREOF, WHICH ARE PRESENTLY OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED BY INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN DEED RECORDED NOVEMBER 21, 1962 AS INSTRUMENT NO. 1996, IN BOOK D-1829, PAGE 887, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERAL, OIL AND GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR UNDER SAID LAND BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MASON LETTEAU, P.T. HINCON AND JOHN R. MACFADEN, BEING THE SUCCESSOR IN OFFICE OF CHRIS G. DEMETRIOUS AND THEIR SUCCESSORS IN OFFICE AS BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 AS INSTRUMENT NO. 1220, IN BOOK D-2398, PAGE 795, OFFICIAL RECORDS.

APN: 4025-001-002

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("**Agreement**") is made and entered into as of this 30th day of January, 2012 ("**Effective Date**"), by and among the **CITY OF INGLEWOOD**, a municipal corporation ("**City**"); **THE FORUM ENTERPRISES, INC.**, a Delaware corporation ("**FEI**"); **MSG FORUM, LLC**, a Delaware limited liability company ("**MSG**"; MSG and FEI are collectively referred to herein as "**Participant**"); and **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation ("**Escrow Agent**"). City, MSG, FEI and Escrow Agent are collectively referred to in this Agreement as the "**Parties**" and singularly as "**Party**."

RECITALS:

A. City, MSG and FEI are parties to that certain Owner Participation Agreement dated January 30, 2012 ("**OPA**"), a copy of which is attached hereto as **Exhibit A** and incorporated herein. All initially capitalized terms that are used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the OPA.

B. Concurrently with the City's execution of the OPA, the City is obligated to make a loan in the amount of Eighteen Million Dollars ($18,000,000) (the "**Loan**") to fund or reimburse Participant or MSG (as determined by MSG) for the rehabilitation of the Site by Participant. The Loan shall be placed into an interest-bearing escrow account (the "**Escrow Account**"), and shall be released to Participant pursuant to and in accordance with the terms of this Agreement and Section 2.3 of the OPA.

C. As described in more detail in the OPA, MSG is under contract to purchase the Site from FEI, subject to the terms and conditions of the Purchase Agreement. From and after the Closing, FEI shall no longer own the Site and shall no longer be a Party under the OPA, and shall automatically have no rights, obligations or liability liabilities thereunder or under this Agreement, and the term "Participant" shall no longer include FEI under the OPA or under this Agreement.

D. Escrow Agent has agreed to act as the "Escrow Agent" under the OPA pursuant to and in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Obligations of Escrow Agent. Escrow Agent hereby acknowledges that it shall act as the Escrow Agent pursuant to the OPA. Escrow Agent shall comply with the terms and conditions set forth in this Agreement. Escrow Agent shall hold, invest and disburse the Loan funds deposited into the Escrow Account strictly in accordance with the terms and conditions of this Agreement.

2. Release of Loan. Upon Completion and execution of the Promissory Note and recordation of the Deed of Trust, Escrow Agent shall automatically, without need for action by any Party, release one hundred percent (100%) of the Loan to MSG as Participant from the

Escrow Account, *provided* MSG as Participant has delivered to Escrow Agent the following documentation:

a. Written notice specifying that Completion of the Rehabilitation Improvements has occurred.

b. Wiring instructions and details of a designated account of MSG as Participant to which the Loan shall be wired.

c. (i) A letter signed by MSG, as Participant, certifying to the Escrow holder that MSG, as Participant, has delivered to City the Documented Costs required by Section 3.2.1 of the OPA, together with (ii) an acknowledgment from City (which may be in the form of an e-mail) that City has received such delivery.

d. The original executed Promissory Note.

e. The original, executed and notarized Deed of Trust.

3. Account Fees. All fees, costs and expenses of the Escrow Agent with respect to the Escrow Account established pursuant to this Agreement (the "**Account Fees**") shall be paid for by MSG as Participant. The City may retain any interest that accrues in the Escrow Account, provided that if there is a dispute as to the release of monies from Escrow, the party prevailing in such dispute shall be entitled to any interest accrued from and after the date of such dispute.

4. Compliance with Court Orders. The Parties hereby acknowledge that Escrow Agent may accept, obey and comply with any and all writs, orders, judgments or decrees issued or entered by any court with or without jurisdiction (a "**Court Order**"), in which case, notwithstanding anything to the contrary in this Agreement, Escrow Agent shall not be liable to either Party by reason of such acceptance, obedience or compliance, regardless of whether such Court Order is subsequently reversed, modified, annulled, set aside or vacated.

5. Release and Indemnification. Each of the City, MSG and FEI hereby release Escrow Agent and its officers, managers, employees and agents (each, an "**Escrow Agent Party**"), for any liability, damage, loss, cost or expense incurred by such Party to the extent resulting from (i) any action taken or not taken in good faith upon advice of Escrow Agent's counsel given with respect to any questions relating to its obligations under this Agreement, or (ii) any action taken or not taken in reliance upon any document, including any written notice provided to Escrow Agent pursuant to this Agreement, as to the due execution and the validity and effectiveness of such document, and the truth and accuracy of any information contained therein, which such Escrow Agent Party in good faith believes to be genuine, to have been signed or presented by a duly authorized person or persons, and to comply with the terms of the OPA and this Agreement, except to the extent resulting from the gross negligence, willful default, intentional misconduct or breach of trust by such Escrow Agent Party. Each of City and MSG, jointly and severally, shall indemnify and hold harmless any Escrow Agent Party against any liability, damage, loss, cost or expense, including, without limitation, reasonable attorneys' fees and court costs, incurred by such Escrow Agent Party to the extent resulting from the performance by any Escrow Agent Party of Escrow Agent's obligations under this Agreement,

except to the extent resulting from the gross negligence, willful default, intentional misconduct or breach of trust by such Escrow Agent Party.

6. Relationship of Parties. Each of City, FEI and MSG acknowledges and agrees that Escrow Agent is acting solely as a stakeholder at the Parties' request, and that Escrow Agent shall not be deemed to be the agent of any of City, FEI or MSG.

7. Notices. Notices shall be given in the manner set forth in Section 6.1 of the OPA. Escrow Agent's address for notices shall be:

First American Title Insurance Company
5 First American Way
Santa Ana, California 92701
Attention: Patty Beverly (524761)

8. Successors and Assigns. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, personal representatives, successors and assigns.

9. Entire Agreement. This Agreement, including the Recitals herein, and the OPA, contain the entire agreement and understanding of the Parties hereto.

10. Prevailing Party Costs. If any Party hereto fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or Parties or the Party or Parties not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party or Parties on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

11. Time of Essence. Time is of the essence of this Agreement, and all performances required hereunder shall be completed within the time periods specified. Any failure of performance within the time period specified shall be deemed a material breach.

12. No Waiver; Amendment. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. This Agreement may not be modified or amended except by an instrument in writing expressing such intention executed by all the Parties hereto; *provided, however*, that from and after the Closing, FEI shall no longer be a Party to this Agreement and the signature of FEI shall not be required for any modification or amendment of this Agreement.

13. Governing Law and Venue. This Agreement and all rights and obligations arising out of it shall be governed by and construed in accordance with the laws of the State of California. Any proceeding arising out of this Agreement shall be conducted only in the County of Los Angeles.

14. Counterparts. This Agreement may be signed in counterparts and all counterparts so executed shall constitute one contract, binding on all Parties hereto, even though all Parties are not signatory to the same counterpart. The Parties contemplate that they may be executing counterparts of the Agreement transmitted by facsimile or by email and agree and intend that a signature sent by facsimile machine or email shall bind the Party so signing with the same effect as though the signature were an original signature.

15. No Third Party Beneficiaries. This Agreement is intended to confer rights and benefits only upon the Parties and their successors and assigns and is not intended to confer any rights or benefits upon any other person. No person other than the Parties and their successors and assigns shall have any legally enforceable rights hereunder, *provided* that from and after the Closing, the only Parties with rights hereunder are the City and MSG. All rights of action for any breach of this Agreement are hereby reserved to the Parties hereto and their successors and assigns.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City, FEI, MSG and Escrow Agent have each entered into this Agreement as of the date first written above.

CITY:

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

FEI:

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG:

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, City, FEI, MSG and Escrow Agent have each entered into this Agreement as of the date first written above.

CITY:

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

FEI:

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG:

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: Mark C. CreSitello
Title: Senior Vice President &
Assistant Secretary

[SIGNATURES CONTINUE ON NEXT PAGE]

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: Patty Brown 1-27-12
Name: Patty Brown
Title: VP

524-161

ATTEST:

By: Yvonne Horton
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: Cal P. Saunders
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: Royce K. Jones
Royce K. Jones

EXHIBIT A

OWNER PARTICIPATION AGREEMENT

[See attached]

CITY'S ORIGINAL

12-050

COOPERATION AGREEMENT
FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN REDEVELOPMENT AGENCY FUNDED LOW AND MODERATE INCOME HOUSING PROJECTS

THIS COOPERATION AGREEMENT (this "**Agreement**") is entered into as of April 10, 2012, by and between the CITY OF INGLEWOOD, a municipal corporation (the "**City**") and the INGLEWOOD HOUSING AUTHORITY, a public body, corporate and politic (the "**Authority**") with reference to the following facts:

A. The City Council of the City of Inglewood (the "**City Council**") adopted the Merged Inglewood Redevelopment Plan, for the Merged Inglewood Redevelopment Project Area, which comprises the following subareas La Cienega, Century, Imperial-Prairie, In Town, 2002 Added Area Century, 2002 Added Area La Cienega, 2002 Added Area In Town, Amendment Area La Cienega, North Inglewood Industrial Project, and Manchester-Prairie (collectively, the "**Project Area**"), which resulted in the allocation of certain tax increment property taxes ("Tax Increment") from the Project Area to the former Inglewood Redevelopment Agency (the "**Agency**") for purposes of certain redevelopment activity generally within the Project Area.

B. Sections 33334.2 and 33334.3 of California's Community Redevelopment Law [Health & Safety Code §§33000, et seq.] (the "**CRL**") required the Agency to use 20 percent of Tax Increment allocated to the Agency pursuant to Section 33670 of the CRL (the "**LMIHF**") for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing.

C. The intent of the Redevelopment Plan is, in part, to increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside the Project Area, and to expend the Tax Increment allocated to the Agency pursuant to Section 33670 of the CRL to accomplish these goals and objectives in conformity with the Redevelopment Plan.

D. The Agency has adopted its Five-Year Implementation Plan for the Project Area, as amended from time to time (the "**Implementation Plan**") with established goals to support affordable housing, economic development, community revitalization, commercial revitalization, and institutional revitalization. To implement the programs and activities associated with each goal, the Agency made certain redevelopment fund commitments and budget allocations based on estimated available Tax Increment revenue and debt financing structures.

E. Pursuant to Sections 33220 and 33206 of the CRL and Section 34312.5 of California's Housing Authorities Law [Health & Safety Code §§34200, et seq.] ("**Housing Law**"), certain public bodies, including the City and the Authority may aid and cooperate in the planning, undertaking, construction, or operation of low and moderate income housing in the community.

F. To carry out the Agency's redevelopment program in accordance with the objectives and purposes of the Redevelopment Plan for the Project Area and the Implementation Plan, the Agency and the City entered into a Cooperation Agreement For Payment of Costs Associated With Certain RDA Funded Capital Improvement and Affordable Housing Projects dated as of

January 25, 2011, as amended on February 15, 2011 and March 10, 2011 by virtue of a First Amendment and Second Amendment, respectively (the "**Agency-City Cooperation Agreement**"), which provides for the implementation and completion of certain redevelopment projects and programs, including the low and moderate income housing projects and programs listed in the attached Exhibit 1, which are incorporated herein by this reference (the "**Projects**").

G. On January 10, 2012, the City of Inglewood approved a resolution pursuant to Assembly Bill No. 26 (2011-2012 1st Ex. Sess.) designating the Inglewood Housing Authority to receive the assets and perform the housing functions previously performed by the Agency. On January 10, 2012 the Inglewood Housing Authority approved a resolution accepting the transfer of the housing assets and functions of the Agency. The City and the Authority now desire to effectuate the transfer of the housing assets and functions to the Authority and to carry out the intent of the Agency-City Cooperation Agreement.

H. Pursuant to Sections 33220 and 33206 of the CRL and Sections 34312.5 and 34327 of the Housing Law and Section 34509 of California's Housing Cooperation Law [Health & Safety Code §§34500, et seq.], the City desires to obtain the Authority's assistance and cooperation in completing the Projects, and further desires to assist and cooperate in the Authority's remedying of the conditions set forth in the Housing Authorities Law, by contracting with the Authority for the implementation and completion of the Projects.

I. The activities associated with the Projects include but are not limited to acquisition and disposition of property, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, financing and new construction or rehabilitation, construction management, mortgage assistance to qualifying households, subsidies to individuals and families, asset management, project monitoring and administration of agreements. To carry out the Projects in accordance with the Agency-City Cooperation Agreement and the objectives and purposes of the Redevelopment Plan for the Project Area and the Implementation Plan, the City desires assistance and cooperation in the implementation and completion of the Projects. The Authority agrees to aid the City and cooperate with the City to expeditiously implement the Projects in accordance with the Agency-City Cooperation Agreement and the Redevelopment Plan and the Implementation Plan and to undertake and complete actions necessary or appropriate to ensure that the housing objectives of the Redevelopment Plan and the Implementation Plan are fulfilled within the time effectiveness of the Project Area.

J. In considering the City's desire to ensure timely implementation and completion of the Projects, the City wishes to enter into this Agreement with the Authority for the payment of net available Tax Increment previously received by the City from the Agency under the Agency-City Cooperation Agreement to finance the Projects. The purpose of this Agreement is to facilitate the implementation of the Projects and to provide funding necessary to effectuate the completion of the Projects with net available Tax Increment in this current fiscal year and forthcoming fiscal years.

K. The obligations set forth in this Agreement are contractual obligations that, if breached, will subject the City to damages and other liabilities or remedies.

L. The City Council and the Agency by resolution have each found that the use of the Agency's LMIHF for the Projects that are located outside of the Project Area is in accordance with Section 33334.2 of the CRL because the use of such funds will be of benefit to the Project Area.

M. By approving and entering into this Agreement, the City has approved the commitment of net available Tax Increment from the Project Area to pay for the Projects.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. INTRODUCTORY PROVISIONS

The recitals above 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.

II. CITY'S OBLIGATIONS

1. The Projects are those projects which are listed on the attached Exhibit 1. The City agrees to pay to the Authority an amount equal to the cost to the Authority to carry out the Projects, including without limitation all costs incurred by the Authority for the acquisition and disposition of property, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, financing and new construction or rehabilitation, construction management, asset management, mortgage assistance to qualifying households, subsidies to individuals and families, project monitoring and administration of agreements and the Authority's administrative costs in carrying out the Projects, including the Authority's overhead, payroll and benefits, insurance, supplies, telephone, copying, fixtures, furniture, equipment, legal, accounting and other professional fees and costs, and other reasonable, customary and lawful administrative expense of the Authority related to carrying out the Projects in amounts that are not disproportionate to the amount actually spent for the costs of carrying out the Projects. The obligations of the City set forth in this Agreement are contractual obligations that, if breached, will subject the City to damages and other liabilities or remedies.

2. The obligations of the City under this Agreement shall be payable solely out of funds received by the City from the Agency under the Agency-City Cooperation Agreement in amounts set forth in the Payment Schedule attached hereto as Exhibit 2 and incorporated herein by this reference. The City shall have no obligation whatsoever to utilize any other source of funds, other than funds received by the City from the Agency under the Agency-City Cooperation Agreement, to make the payments to the Authority required hereunder.

3. All payments due to be made by the City to the Authority under this Agreement shall be made by the City in accordance with the schedule set forth in Exhibit 2 and as otherwise necessary to reimburse the Authority for the cost to the Authority of performing its obligations hereunder. The Authority shall provide the City with an annual report accompanied by evidence reasonably satisfactory to the City Manager that the Authority has progressed in the development and construction of the Project for which payment is made by the City commensurate with such payments and has incurred costs or obligations to make payments equal to or greater than such

amount. The City shall make the payments to the Authority required under this Agreement on or before the first day of each Fiscal Year beginning with the Fiscal Year immediately following the date of this Agreement. Notwithstanding the foregoing, the City may at any time and from time to time prepay to the Authority all or any portion of the payments required under this Agreement prior to the due date of such payments.

III. AUTHORITY'S OBLIGATIONS

1. The Authority shall accept any funds offered and made available by the City pursuant to this Agreement and shall devote those funds to completion of the Projects by (i) reimbursing the Authority or using such funds to make Authority expenditures to perform the work required to carry out and complete the Projects; (ii) utilizing such funds to pay debt service on bonds or other indebtedness or obligations that the Authority has or will incur for such purposes; and/or (iii) paying such funds into a special fund of the Authority to be held and expended only for the purpose of satisfying the obligations of the Authority hereunder.

2. It is the responsibility of the Authority to pay all development and construction costs in connection with the Projects from funds paid to the Authority by the City under this Agreement.

3. The indebtedness of the City under this Agreement shall be subordinate to the rights of the holder or holders of any existing bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of the Agency incurred or issued to finance the Project Area, including without limitation any pledge of tax increment revenues from the Project Area to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by the Agency with respect to the Project Area.

4. The Authority shall perform its obligations hereunder in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws, including but not limited to the applicable requirements of the California Environmental Quality Act, and shall timely complete the work required for each Project in accordance with the Schedule of Performance attached hereto as Exhibit 3 and incorporated herein by this reference. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by the City Manager and the Authority's Executive Director.

IV. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of California Government Code section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses

that may be incurred by such other party solely by reason of Government Code section 895.2. Notwithstanding the foregoing, each party's obligation to indemnify, defend and hold harmless the other party is limited to and will be payable solely with the net available Tax Increment received by such party under the applicable Cooperation Agreement.

V. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

1. This Agreement may be executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of seven (7) pages and three (3) Exhibits, which constitute the entire understanding and agreement of the parties.

2. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

3. This Agreement is intended solely for the benefit of the Authority and the City. Notwithstanding any reference in this Agreement to persons or entities other than the Authority and the City, there shall be no third party beneficiaries under this Agreement.

4. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties. The Authority's Executive Director and the City Manager are hereby authorized to execute all documents and instruments and take all actions necessary and convenient to carry out this Agreement. If the Authority's Executive Director and the City Manager determine that it is necessary or convenient, in furtherance of the City's obligations under the Agency-City Cooperation Agreement and the Authority's powers and obligations under the Housing Authorities Law, for the Authority to carry out additional projects identified in the Agency-City Cooperation Agreement, they are hereby authorized to execute all documents and instruments approved by the Authority General Counsel and the City Attorney and to take all actions necessary and appropriate to effectuate such a transfer from the City to the Authority of such projects and the tax increment funds required for the Authority to carry out such projects.

VI. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

VII. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce

the provisions of this contract, including without limitation the right to sue for damages for breach of contract and the right to seek specific performance of the terms of this Agreement. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

VIII. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law. This Agreement shall survive any full or partial merger of the Authority and the City and shall remain separate obligations of the Authority and the City and be fully enforceable according to its terms.

[Signatures on Following Page]

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

"AUTHORITY"
INGLEWOOD HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
James T. Butts, Jr.
Chairman

Dated: 4/25/2012

ATTEST:

By: _____
Yvonne Horton
Authority Secretary

APPROVED AS TO CONTENT:

By: _____
Artie Fields
Executive Director

APPROVED AS TO FORM:

CAL P. SAUNDERS
Authority General Counsel

By: _____
Cal P. Saunders

"CITY"
THE CITY OF INGLEWOOD,
a Municipal Corporation

By: _____
James T. Butts, Jr.
Mayor

Dated: 4/25/2012

ATTEST:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO CONTENT:

By: _____
Artie Fields
City Manager

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Authority Special Counsel

By:_____
Royce K. Jones

APPROVED:

KANE, BALLMER & BERKMAN
City Special Counsel

By:_____
Royce K. Jones

EXHIBIT 1

AFFORDABLE HOUSING PROJECTS and PROGRAMS

	Replacement Housing Project Name	Number of Units
1)	Yukon Avenue & 118th Street	9 SFR Homes
2)	716 Beach Avenue	6-8 Apartments
3)	Abode - 100 E. Nutwood Street	62 Apartments
4)	Regency Towers - 151 N. Locust Street (Monitoring)	91 Apartments
5)	8205 Crenshaw Boulevard	9 Townhomes
6)	Regents Square - 527 Regent Street	145 Apartments
7)	Osage Senior Villas - 924-926 Osage Avenue (Monitoring)	91 Apartments
8)	First Time Homebuyer Program	N/A

Exhibit 2

Low and Moderate Income Housing Fund

Portion of That Certain Payment Schedule

Payment Schedule

Payment Date		Total
1/31/2013	$	15,825,000
1/31/2014	$	16,695,375
1/31/2015	$	17,613,621
1/31/2016	$	18,582,370
1/31/2017	$	19,604,400
1/31/2018	$	20,682,642
1/31/2019	$	21,820,187
1/31/2020	$	23,020,298
1/31/2021	$	24,286,414
1/31/2022	$	25,622,167
1/31/2023	$	27,031,386
1/31/2024	$	28,518,112
1/31/2025	$	30,086,608
1/31/2026	$	31,741,372
1/31/2027	$	33,487,147
1/31/2028	$	35,328,940
1/31/2029	$	37,272,032
1/31/2030	$	39,321,994
1/31/2031	$	41,484,704
1/31/2032	$	43,766,362
1/31/2033	$	46,173,512
1/31/2034	$	48,713,055
1/31/2035	$	51,392,274
1/31/2036	$	51,930,026
	$	750,000,000

Exhibit 3

Schedule of Performance

Housing Authority	Year 1-5	Year 6-10	Year 10-15
Affordable Housing Projects			
	x	x	x

12-017

DISPOSITION AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT
(HOME Program 24 CFR 92.504)
[100 East Nutwood Street]

by and between

THE CITY OF INGLEWOOD,

and

GREVILLEA HOUSING, L.P., A CALIFORNIA LIMITED PARTNERSHIP

TABLE OF CONTENTS

Page

PART 1. SUBJECT OF AGREEMENT 1
SECTION 1.1 Purpose of the Agreement 1
SECTION 1.2 Definitions 1
SECTION 1.3 The Redevelopment Plans 9
SECTION 1.4 The Property 9
SECTION 1.5 City 9
SECTION 1.6 Developer 9
SECTION 1.7 Assignments and Transfers 10

PART 2. FINANCING 11
SECTION 2.1 Method of Financing 11
SECTION 2.2 City Assistance 11
SECTION 2.3 Evidence of Financing 12

PART 3. DEVELOPMENT OF THE PROPERTY 12
SECTION 3.1 Land Use Approvals 12
SECTION 3.2 Condition of the Property 13
SECTION 3.3 Scope of Development 13
SECTION 3.4 Construction Drawings and Related Documents 13
SECTION 3.5 City Approval of Plans, Drawings and Related Documents 14
SECTION 3.6 Cost of Construction 15
SECTION 3.7 Schedule of Performance 15
SECTION 3.8 Local, State, and Federal Laws 15
SECTION 3.9 Nondiscrimination During Construction 16
SECTION 3.10 Indemnification and Insurance 16
SECTION 3.11 Disclaimer of Responsibility by the City 19
SECTION 3.12 Permits 19
SECTION 3.13 Rights of Access 19
SECTION 3.14 Taxes, Assessments, Encumbrances and Liens 20
SECTION 3.15 Rights to Plans 20
SECTION 3.16 Release of Construction Covenants 20

PART 4 CONVEYANCE 21
SECTION 4.1 Conveyance to Developer 21

PART 5. USE OF THE PROPERTY 27
SECTION 5.1 Uses 27
SECTION 5.2 Maintenance of the Property 29
SECTION 5.3 Obligation to Refrain from Discrimination 30
SECTION 5.4 Effect and Duration of Covenants 31
SECTION 5.5 Effect of Violation of the Terms and Provisions of this Agreement 32

SECTION 5.6 Hazardous Substances. 32
SECTION 5.7 Monitoring 32
SECTION 5.8 Agreement Containing Covenants 32

PART 6. DEFAULTS AND REMEDIES 33
SECTION 6.1 Defaults - General 33
SECTION 6.2 Institution of Legal Actions 34
SECTION 6.3 Applicable Law. 34
SECTION 6.4 Acceptance of Service of Process 34
SECTION 6.5 Rights and Remedies Are Cumulative 34
SECTION 6.6 Damages. 35
SECTION 6.7 Specific Performance. 35
SECTION 6.8 Termination by Either Party. 35
SECTION 6.9 Termination by the Developer. 35
SECTION 6.10 Termination by City. 35
SECTION 6.11 Limited Recourse Obligations 36

PART 7. GENERAL PROVISIONS 42
SECTION 7.1 Notices 42
SECTION 7.2 Conflicts of Interest 42
SECTION 7.3 Nonliability of City Officials and Employees 42
SECTION 7.4 Force Majeure. 43
SECTION 7.5 Inspection of Books and Records. 43
SECTION 7.6 Approvals 43
SECTION 7.7 Real Estate Commissions. 44
SECTION 7.8 No Third Party Beneficiaries 44
SECTION 7.9 City to Sign 45
SECTION 7.10 No Partnership. 45
SECTION 7.11 Compliance with Law. 45
SECTION 7.12 Binding Effect. 45
SECTION 7.13 Incorporation by Reference. 45
SECTION 7.14 Counterparts. 45
SECTION 7.15 Construction and Interpretation of Agreement 45

PART 8 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS 46

PART 9 TIME FOR ACCEPTANCE OF AGREEMENT BY CITY 47

ATTACHMENTS

ATTACHMENT NO. 1	-	SITE MAP
ATTACHMENT NO. 2	-	LEGAL DESCRIPTION
ATTACHMENT NO. 3	-	METHOD OF FINANCING
ATTACHMENT NO. 4	-	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 5	-	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 6	-	PROJECT BUDGET
ATTACHMENT NO. 7	-	HOME NOTE
ATTACHMENT NO. 8	-	HOME DEED OF TRUST
ATTACHMENT NO. 9	-	HOME REGULATORY AGREEMENT
ATTACHMENT NO. 10	-	LMIHF NOTE
ATTACHMENT NO. 11	-	LMIHF DEED OF TRUST
ATTACHMENT NO. 12	-	AGREEMENT CONTAINING COVENANTS
ATTACHMENT NO. 13	-	ASSIGNMENT OF RENTS [RESERVED FOR LEASES]
ATTACHMENT NO. 14	-	ASSIGNMENT OF AGREEMENTS
ATTACHMENT NO. 15	-	ENVIRONMENTAL INDEMNITY
ATTACHMENT NO. 16	-	UCC-1 FINANCING STATEMENT
ATTACHMENT NO. 17	-	[RESERVED]
ATTACHMENT NO. 18	-	AFFORDABLE HOUSING RESTRICTED GRANT DEED
ATTACHMENT NO. 19	-	[RESERVED]
ATTACHMENT NO. 20	-	ASSIGNMENT AND BILL OF SALE

DISPOSITION AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT
(US Department Housing and Urban Development
HOME Regulations – 100 East Nutwood Avenue)
[HOME Program 24 CFR 92.504]

THIS AFFORDABLE HOUSING AGREEMENT (this "Agreement") is entered into by and between the **CITY OF INGLEWOOD, a municipal corporation** ("City") and **GREVILLEA HOUSING, L.P., a California limited partnership** ("Developer"), as of January 23, 2012. City and Developer agree as follows:

PART 1. SUBJECT OF AGREEMENT

SECTION 1.1 Purpose of the Agreement

The purpose of this Agreement is to effectuate the regulations of the United States Department of Housing and Urban Development set forth in 24 CFR Part 92 (the "HOME Regulations") along with any other applicable local, state and federal laws and regulations, by providing part of the financing for the development to be constructed on the hereinafter defined Property, which will be operated as rental housing that is affordable to Very Low Income and Low and Moderate Income households. The development and use of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of Inglewood and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements. Pursuant to that certain Property Acquisition Agreement between the Developer as seller and City as buyer dated December 22, 2011, the City acquired the Property from Developer according to the terms and conditions contained therein ("Property Acquisition Agreement"). Pursuant to and conditioned upon the terms of this Agreement, the City will make an additional loan to Developer to re-acquire and pay a portion of the cost of constructing the Improvements (as defined below), City will convey the Property to the Developer and the Developer will construct the Improvements on the Property.

SECTION 1.2 Definitions

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Acquisition and Development Costs" shall mean the total cost of acquiring the Property and developing and constructing the Improvements thereon, as set forth in the Project Budget, also referred to as Total Development Costs in the Method of Financing, Attachment No. 3.

"Affiliate" shall mean (1) any Person directly or indirectly controlling, controlled by or under common control with another Person; (2) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other Person; or (3) if that other Person is an officer, director, member or partner, any company for which such Person acts in any such capacity. The term "control" as used in the immediately preceding sentence, shall mean the power to direct the management or the power to control election of the board of directors. It

shall be a presumption that control with respect to a corporation or limited liability company is the right to exercise or control, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, other entity or association, control is the possession, indirectly or directly, of the power to direct or cause the direction of the management or policies of the controlled entity. For purposes of this definition, any general partner shall be considered an "Affiliate" of Developer.

"Affordable Rent" shall have the meaning set forth in California Health and Safety Code Section 50053. The parties have agreed that rents for the Units shall not exceed the respective amounts set forth in the Agreement Containing Covenants (attached to this Agreement as ATTACHMENT No. 12.

"Agreement Containing Covenants" shall mean the Agreement Containing Covenants (Including Rental Restrictions) to be recorded upon the occurrence of the Construction Financing Event, substantially in the form attached to this Agreement as ATTACHMENT No. 12.

"AHP Grant/Loan" shall mean the conditional grant or loan for the Project awarded to Developer by a member bank of the Federal Home Loan Bank under the Federal Home Loan Bank Affordable Housing Program, which shall be subject to terms and conditions that are approved by the City Administrator or designee.

"AHP Deed of Trust" shall mean the subordinate deed of trust securing the AHP Grant/Loan.

"Approved Title Conditions" shall mean title that is subject to current property taxes and assessments, Senior Loans and easements and other encumbrances specifically approved by the City Administrator.

"Assignment of Agreements" shall mean a document substantially in the form attached to this Affordable Housing Agreement as ATTACHMENT No. 14, which is incorporated herein by this reference.

"Assignment of Rents and Leases" shall mean a document substantially in the form attached to this Affordable Housing Agreement as ATTACHMENT No. 13, which is incorporated herein by this reference.

"City" shall mean the City of Inglewood, California, a municipal corporation, and any assignee of or successor to its rights, powers and responsibilities.

"City Instruments" shall mean and include this Agreement, the Agreement Containing Covenants, the HOME Regulatory Agreement, and the City Loan Documents (as identified and described in the Method of Financing) the LMIHF Note; the LMIHF Deed of Trust; the HOME Note; the HOME Deed of Trust; the Assignment of Rents and Leases; the Assignment of Agreements; the Environmental Indemnity; and the UCC-1 Financing Statement, each in a form that is reasonably acceptable to the City Administrator.

"City Loan" shall mean the HOME Loan or the LMIHF Loan, as the context requires and "City Loans" shall mean the HOME Loan and the LMIHF Loan.

"City Loan Documents" shall mean the instruments described in Section 8 of the Method of Financing.

"Completion" shall mean the point in time when all of the following shall have occurred: (1)issuance of a permanent certificate of occupancy by the City of Inglewood; (2)recordation of a Notice of Completion by Developer or its contractor; (3) certification by the project architect that construction of the Improvements (with the exception of minor "punchlist" items) has been completed in a good and workmanlike manner and substantially in accordance with the approved plans and specifications; and (4) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against any mechanic's liens that have been recorded or stop notices that have been delivered.

"Construction Financing Event" shall mean the point in time when (i) all conditions precedent to the Construction Financing Event as set forth in the Method of Financing (ATTACHMENT No. 3) have been satisfied; (ii) Developer conveys title to the Property to the City; and (iii) the Construction Loan Deed of Trust and other Construction Loan documents, the LMIHF Deed of Trust and the HOME Deed of Trust and other City Loan Documents are recorded.

"Construction Financing Event Date" shall mean the date on which the Construction Financing Event is scheduled to take place.

"Construction Loan" shall mean the Construction Period loan to be made to Developer by construction lender reasonably approved by the City Administrator or designee, or the City, pursuant to the funding source(s) available to the City under the HOME Regulations ("Construction Lender") at the time of the Construction Financing Event, secured by the Construction Loan Deed of Trust.

"Construction Loan Deed of Trust" shall mean the deed of trust securing the Construction Loan that is first in priority.

"Construction Period" shall mean the period of time commencing upon the Construction Financing Event and ending upon the repayment of the Construction Loan.

"Development Costs" shall mean the total cost of developing and constructing the Improvements on the Property, as set forth in the Project Budget.

"Environmental Indemnity" shall mean an instrument substantially in the form attached to this Agreement as ATTACHMENT No. 15.

"Escrow Agent" shall mean First American Title Insurance Company or another escrow agent mutually acceptable to City and Developer.

"Force Majeure" or "Force Majeure Event" shall mean the following events, provided that they actually delay and interfere with the timely performance of the matter to which it would apply and despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such interference: War; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism, epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, or suppliers; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of the City shall not excuse performance by the City); the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Event unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within thirty (30) days after it obtains actual knowledge of the event.

"Force Majeure Delay" shall mean any delay in taking any action required by this Agreement, proximately caused by the occurrence of any Force Majeure Event.

"Force Majeure Event" shall have the meaning as an event transpiring under "Force Majeure."

"Gap Grant/Loan" shall mean a grant or loan, if any, awarded to Developer by the other funding source, as described in the Method of Financing, which shall be subject to terms and conditions that are reasonably approved by the City Administrator or designee.

"Gap Deed of Trust" shall mean the deed of trust on the Property which secures the Gap Grant/Loan.

"Governmental Approvals" shall mean and include any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act, tentative and final tract maps, variances, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any Governmental Authority in order to commence and complete the construction of the Project.

"Governmental Authority" means the United States, the State of California, the County of Los Angeles, the City of Inglewood or any other political subdivision in which the Property is located, and any court or political subdivision, City or instrumentality having jurisdiction over the Property.

"Hazardous Substances" shall have the meaning set forth in the Environmental Indemnity.

"HOME Deed of Trust" shall mean the Deed of Trust with Assignment of Rents, in which Developer is the Trustor and City is the Beneficiary, which secures the HOME Loan, substantially in the form attached to this Agreement as ATTACHMENT No. 8, which is incorporated herein by this reference.

"HOME Loan" shall mean the loan of HOME Investment Partnerships Program funds from the City to Developer, in the amount and pursuant to the terms and conditions described in the Method of Financing, secured by the HOME Deed of Trust and the other City Instruments and having a lien on the Property that is second in priority, junior in priority to the lien of the Senior Loan Deed of Trust.

"HOME Note" shall mean the Promissory Note, evidencing the HOME Loan, substantially in the form attached to this Agreement as ATTACHMENT No. 7, which is incorporated herein by this reference.

"HOME Regulatory Agreement" shall mean the Agreement Containing HOME Program Requirements, substantially in the form attached to this Agreement as ATTACHMENT No. 9, which is incorporated herein by this reference.

"Improvements" shall mean the residential development to be constructed on the Property, consisting of the affordable housing development including income-restricted dwelling units, as described in the Scope of Development.

"Investor Limited Partner" or "Tax Credit Equity Investor" shall mean any Person other than the Developer who will be an investor limited partner in Developer's limited partnership and who will purchase the Low Income Housing Tax Credits and own a 99.99% interest in the Developer.

"Legal Description" shall mean the legal description of the Property attached to this Agreement as ATTACHMENT No. 2 which is incorporated herein by this reference.

"Limited Partner Capital Contribution" shall mean and refer to the Developer Equity provided from the sale of the Tax Credits.

"LMIHF Deed of Trust" shall mean the Deed of Trust with Assignment of Rents, in which Developer is the Trustor and City is the Beneficiary, which secures the LMIHF Loan, substantially in the form attached to this Agreement as ATTACHMENT No. 11, which is incorporated herein by this reference.

"LMIHF Loan" shall mean the loan proceeds made available by the City to the Developer, in the maximum loan amount of up to Eight Million Two Hundred Eighty Four Thousand Four Hundred Nineteen Dollars ($8,284,419). However, notwithstanding the foregoing, this maximum loan amount is subject to reduction on a dollar-by-dollar basis in the event the award from the Tax Credit Allocation Committee ("TCAC"), as contemplated by this

Agreement is greater than the Fourteen Million Two Hundred Five Thousand Seven Hundred Forty One Dollars ($14,205,741 amount set forth in Section 3(ii)(f) of the Method of Financing, Attachment No. 3. Upon the award of such greater TCAC amount, the LMIHF Loan shall be the amount of Eight Million Two Hundred Eighty Four Thousand Four Hundred Nineteen Dollars ($8,284,419) less the increased TCAC award amount. This loan is pursuant to the terms and conditions described in the Method of Financing, secured by the LMIHF Deed of Trust and the other City Instruments and having a lien on the Property that is third in priority, junior in priority to the lien of the Senior Loan Deed of Trust and the HOME Deed of Trust.

"LMIHF Note" shall mean the Promissory Note, evidencing the LMIHF Loan, substantially in the form attached to this Agreement as ATTACHMENT No. 10, which is incorporated herein by this reference.

"Low and Moderate Income Housing Fund" or "LMIHF" shall mean the Low and Moderate Income Housing Fund established pursuant to California Health and Safety Code sections 33334.3 and 33334.6.

"Low Income" shall have the meaning set forth in California Health and Safety Code Section 50079.5.

"Low Income Housing Tax Credits" shall mean tax credits authorized by the Tax Reform Act of 1986 and governed by Section 42 of the Internal Revenue Code.

"Method of Financing" shall mean ATTACHMENT No. 3 to this Agreement.

"Moderate Income" shall have the meaning set forth in Health and Safety Code Section 50093.

"Developer Equity" shall mean funds provided by the Developer for payment of Acquisition and Development Costs, not including the Construction Loan, the Permanent Loan, the City Loans, the AHP Grant/Loan, the Gap Grant/Loan or any other borrowed funds, and shall include any deferred Developer Fee, Limited Partner Capital Contribution as well as any other funds of the Developer.

"Permanent Loan" shall mean the permanent loan to be made to Developer by California Community Reinvestment Corporation or other lender reasonably acceptable to the City Administrator ("Permanent Lender") following Completion, secured by the Permanent Loan Deed of Trust.

"Permanent Note" shall mean the permanent promissory note given by the Developer in the amount of the Permanent Loan for the benefit of the Senior Lender or California Community Reinvestment Corporation or other lender reasonably acceptable to the City Administrator ("Permanent Lender") following Completion, secured by the Permanent Loan Deed of Trust.

"Permanent Loan Deed of Trust" shall mean the deed of trust securing the Permanent Loan that is first in priority.

"Permanent Period" shall mean the period of time commencing upon the repayment of the Construction Loan and the funding of the Permanent Loan.

"Permitted Transfer" means any of the following:

a. An assignment of this Agreement and all of Developer's interests in the Property to an Affiliate or a conveyance back from the Affiliate to Developer, so long as approval is previously obtained from the City Administrator or designee;

b. A conveyance of a security interest in the Property or any portion thereof or interest therein in connection with any Senior Loan, so long as approval is previously obtained from the City Administrator or designee;

c. The inclusion of equity participation by Developer by addition of limited partners or similar mechanism, and any transfers of limited partnership interests in Developer's partnership, so long as approval is previously obtained from the City Administrator or designee;

d. The lease for occupancy of all or any part of the Improvements on the Property so long as approval is previously obtained from the City Administrator or designee;

e. The granting of easements or permits to facilitate the development of the Property in accordance with this Agreement; and

f. The withdrawal, removal and/or replacement of a general partner of Developer's partnership pursuant to the terms of Developer's partnership agreement with the City Administrator or designee consent, a conveyance of Developer's interest in the Property and the Improvements or a transfer of limited partnership interests to the managing general partner pursuant to the right of first refusal provided to that partner in Developer's partnership agreement, or a conveyance of Developer's interest in the Property and the Improvements or a transfer of limited partnership interests to either of the two general partners pursuant to the option provided to them in Developer's partnership agreement, shall not constitute a default under this Agreement or any of the City Loan Documents, nor shall such actions accelerate the maturity of the LMIHF Loan or the HOME Loan, provided that any required substitute general partner is reasonably acceptable to City and is selected with reasonable promptness.

Any transfer described in clauses a. or b. shall be subject to the reasonable approval of the City Administrator or designee.

"Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company or other entity, domestic or foreign.

"Project Budget" shall mean the schedule of sources and uses attached to this Agreement as ATTACHMENT NO. 6.

"Property" means the real property described in SECTION 1.4 hereof.

"Release of Construction Covenants" shall mean the certificate to be issued by the City in accordance with SECTION 3.16 of this Agreement.

"Restricted Period" shall mean not less than fifty five (55) years from the recordation of the Release of Construction Covenants in the Official Records of the Los Angeles County Recorder.

"Schedule of Performance" shall mean the document attached to this Agreement as ATTACHMENT No. 5 which is incorporated herein by this reference.

"Scope of Development" shall mean the document attached to this Agreement as ATTACHMENT No. 4 which is incorporated herein by this reference.

"Senior Lender" shall mean the maker of any Senior Loan, any construction lender, credit enhancer or construction period guaranty facility, including but not limited to the Construction Lender and the Permanent Lender.

"Senior Loans" shall mean, during the Construction Period, the Construction Loan, and during the Permanent Period, the Permanent Loan.

"Senior Loan Documents" shall mean, as applicable, the Construction Loan Deed of Trust, the Permanent Loan Deed of Trust, loan agreements, promissory notes, financing statements, guaranties, security agreements, assignments, and similar documents and instruments to be executed by Developer in connection with the Senior Loans.

"Site Map" means the document which is attached to this Agreement as ATTACHMENT No. 1 which is incorporated herein by this reference.

"Title Company" shall mean First American Title Insurance Company or another title insurance company mutually acceptable to City and Developer.

"Title Insurance Policies" shall mean and include the following ALTA extended coverage policies of title insurance issued by the Title Company, subject to the Approved Title Conditions:

a. A lender's policy of title insurance in favor of the Construction Lender, together with such endorsements as the Construction Lender may reasonably require, insuring the lien of the Construction Loan, in the amount of the Construction Loan (the "Lender's Title Policy"); and

b. A Developer's and lender's policy or policies of title insurance in favor of City, together with such endorsements as City may reasonably require, insuring the reserved estate in the Property of the City, the respective liens of the Construction Loan Deed of Trust, if funded by the City, the HOME Deed of Trust and the LMIHF Deed of Trust, in the respective amounts of the City Loans (the "City's Title Policies").

"Total Development Costs" shall mean the total cost of acquiring the Property and developing and constructing the Improvements thereon, as set forth in the Project Budget, also referred to as the Acquisition and Development Costs.

"UCC-1" shall mean a UCC-1 Financing Agreement, substantially in the form attached to this Agreement as ATTACHMENT No. 16.

"Very Low Income" shall have the meaning set forth in California Health and Safety Code Section 50105.

SECTION 1.3 The Redevelopment Plans

In addition to the HOME Regulations, this Agreement is subject to the redevelopment plan and redevelopment project set out in the City of Inglewood Merged In-Town Redevelopment Project as adopted by Ordinance No. 2035 on August 11, 1970, as amended. Said are incorporated herein by reference and made a part hereof as though fully set forth herein.

SECTION 1.4 The Property

The "Property" is that property located at 100 East Nutwood Street, in the City of Inglewood, County of Los Angeles, and State of California, which is currently owned by the City, as illustrated on the "Site Map" (attached hereto as ATTACHMENT No. 1) and as described in the "Legal Description of the Property" (attached hereto as ATTACHMENT No. 2).

SECTION 1.5 City

a. City is a municipal corporation, exercising governmental functions and powers, and organized and existing under the laws of the State of California.

b. The address of the City for purposes of receiving notices pursuant to this Agreement shall be One Manchester Boulevard, Ninth Floor, Inglewood, California 90301 with copies to the City Attorney, One Manchester Boulevard, Eighth Floor, Inglewood, California 90301, Attention: Cal Saunders, Esq. and Kane, Ballmer & Berkman, special counsel, 515 South Figueroa Street, Suite 1850, Los Angeles, California 90071 Attention: Royce Jones, Esq..

c. "City" as used in this Agreement includes the City of Inglewood and any assignee or successor to its rights, powers and responsibilities.

SECTION 1.6 Developer

a. Developer is Grevillea Housing, L.P., a California limited partnership, whose general partner is Grevillea Housing GP LLC, a California limited liability company, whose sole member is Abode Communities, a California nonprofit public benefit corporation, whose Chief Executive Officer is Ms. Robin Hughes. The address of Developer for purposes of receiving notices pursuant to this Agreement is as follows:

Grevillea Housing, LP

c/o Abode Communities
701 East Third Street, Suite 400
Los Angeles, California 90013
Attention: Ms. Robin Hughes, Chief Executive Officer

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, California 90071
Attention: Lance Bocarsly, Esq.

b. Whenever the term "Developer" is used herein, such term shall mean and include: (1) the Developer as of the date hereof; and (2) any assignee of or successor to its rights, powers and responsibilities approved by the City or permitted by this Agreement.

SECTION 1.7 Assignments and Transfers

a. The qualifications and identity of the Developer are of particular concern to the City. It is because of those qualifications and identity that the City has entered into this Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

b. The Developer shall not assign all or any part of this Agreement without the prior written approval of the City. The City agrees to reasonably give such approval if, in the reasonable determination of the City, the proposed assignee is comparable in all material respects (including experience, character and financial capability) to the Developer. Any such change (or assignment of this Agreement in connection therewith) shall be by instruments satisfactory to the City Administrator (or his designee), and be subject to the approval by the City Administrator (or his designee) of evidence of the proposed assignee's qualifications to meet the obligations of the Developer under this Agreement.

c. For the reasons cited above, the Developer represents and agrees for itself and any successor in interest that without the prior written approval of the City, which shall not be unreasonably withheld except with respect to those Permitted Transfers which do not require City consent, there shall be no cumulative change in ownership interest of any general partner of greater than 49%, or with respect to the identity of the parties in control of the Developer or the degree thereof, by any method or means.

d. The Developer shall promptly notify the City of any and all changes whatsoever in the identity of the parties in control of the Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the City, and the City may exercise its remedies pursuant to the City Instruments, if there is any significant change (voluntary or involuntary) in membership,

management or control of the Developer (other than such changes occasioned by the death or incapacity of any individual or Permitted Transfers).

e. The Developer shall not, except as permitted by this Agreement, assign or attempt to assign this Agreement or any right herein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property (referred to hereinafter as a "Transfer"), without prior written approval of the City, except for Permitted Transfers or as expressly permitted by this Agreement and the other City Instruments. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. Any such proposed transferee shall have the qualifications and financial responsibility necessary and adequate as may be reasonably determined by the City, to fulfill the obligations undertaken in this Agreement by the Developer. Any such proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the City shall expressly assume all of the obligations of the Developer under this Agreement and agree to be subject to all conditions and restrictions applicable to the Developer in this Agreement. There shall be submitted to the City for review all instruments and other legal documents proposed to affect any such transfer; and if approved by the City its approval shall be indicated to the Developer in writing.

f. In the absence of specific written agreement by the City, no unauthorized Transfer, or approval thereof by the City, shall be deemed to relieve the Developer or any other party from any obligations under this Agreement.

g. Notwithstanding this SECTION 1.7, Developer shall have the right to execute deeds of trust and other instruments granting a security interest in the Property for the purposes of financing the Development Costs, as described in PART 2 of this Agreement and the Method of Financing attached hereto as ATTACHMENT No. 3.

PART 2. FINANCING

SECTION 2.1 Method of Financing

The Development Costs shall be financed with a combination of sources of financing as provided in the Method of Financing, attached to this Agreement as ATTACHMENT No. 3, which is incorporated herein by this reference.

SECTION 2.2 City Assistance

a. City Loans. In accordance with and subject to the terms and conditions of this Agreement, including the Method of Financing, the City agrees to lend to the Developer, and the Developer agrees to borrow from the City, the HOME Loan and the LMIHF Loan, as described in the Method of Financing attached hereto as ATTACHMENT No. 3. At or prior to the Construction Financing Event, the City and Developer shall execute and deliver such instruments and documents as may be necessary to evidence and secure the City Loans, consistent with the terms of this Agreement and the Method of Financing, and each in a form that is acceptable to the City Administrator or designee.

b. Gap Assistance. The parties acknowledge that the City Loans are intended to be "gap" financing, not to exceed the amount needed to bridge the gap between the total Acquisition and Development Costs (as defined in the Method of Financing). The proceeds of the City Loans shall be used exclusively to pay Acquisition and Development Costs identified in the Project Budget (which is attached to this Agreement as ATTACHMENT No. 7 and incorporated herein by this reference). The City Loans are subject to the terms and provisions of the HOME Note and the LMIHF Note.

SECTION 2.3 Evidence of Financing

a. Not later than thirty (30) days prior to the Scheduled Construction Financing Event Date, the Developer shall submit to the City evidence satisfactory to the City that the Developer has obtained the financing necessary for the acquisition and development of the Property in accordance with this Agreement. Such evidence of financing shall include the following:

(1) A copy of all loan documents relating to the Construction Loan, the AHP Grant/Loan, if any, and the Gap Grant/Loan, if applicable, including a final Project Budget approved by the Construction Lender, certified by the Developer to be a true and correct copy or copies thereof;

(2) Documentation acceptable to the City Administrator or designee of sources of capital sufficient to demonstrate that the Developer has adequate equity funds committed to provide the amount of Developer Equity required by the Method of Financing;

(3) A copy of the Permanent Loan commitment; and

(4) A copy of the contract between the Developer and the general contractor or major subcontractors for the construction of the Improvements, certified by the Developer to be a true and correct copy thereof.

b. The City shall approve or disapprove such evidence of financing within the time established in the Schedule of Performance. Such approval shall not be unreasonably withheld. If the City shall disapprove any such evidence of financing, the City shall do so by written notice to the Developer stating the reasons for such disapproval.

PART 3. DEVELOPMENT OF THE PROPERTY

SECTION 3.1 Land Use Approvals

It is the responsibility of the Developer, without cost to City, to ensure that zoning of the Property and all applicable City land use requirements will be such as to permit development of the Property and construction of the Improvements and the use, operation and maintenance of such Improvements in accordance with the provisions of this Agreement. The following shall be conditions of the Construction Financing Event: (A) Developer shall submit and City Administrator or designee shall approve one hundred percent (100%) complete Construction

Drawings; and (B) Developer shall obtain all entitlements, approvals, variances and permits necessary for the construction of the Improvements. Nothing contained herein shall be deemed to entitle Developer to any City of Inglewood permit or other City approval necessary for the development of the Property, or waive any applicable City requirements relating thereto. This Agreement does not (a) grant any land use entitlement to Developer, (b) supersede, nullify or amend any condition which may be imposed by the City of Inglewood in connection with approval of the development described herein, (c) guarantee to Developer or any other party any profits from the development of the Property, or (d) amend any City laws, codes or rules. This is not a Development Agreement as provided in Government Code Section 65864. Without cost to City, City shall provide appropriate technical assistance to Developer in connection with Developer's obtaining all necessary entitlements, permits and approvals for the construction of the Improvements.

SECTION 3.2 Condition of the Property

a. City makes no representation or warranty, express or implied regarding any conditions of the Property. It shall be the sole responsibility of the Developer, at the Developer's expense, to investigate and determine all conditions of the Property and its suitability for the uses to which the Property is to be put in accordance with this Agreement. If the conditions of the Property are not in all respects entirely suitable for the use or uses to which the Property will be put, then it is the sole responsibility and obligation of the Developer, without cost to City, to take such action as may be necessary to place the Property in all respects in a condition entirely suitable for its development and use in accordance with this Agreement.

b. Developer agrees to perform and be solely responsible for the clean-up of any Hazardous Substances on, in, under or within the Property, at the sole cost, risk and expense of Developer. Developer shall defend, indemnify and hold harmless the City and its officers, agents, employees, contractors and attorneys from any claims, liability, injury, damages, costs and expenses (including, without limiting the generality of the foregoing, the cost of any required clean up of hazardous substances, and the cost of attorneys' fees) which may be sustained as the result of the presence or clean up of hazardous substances on, in, or under the Property. As a condition precedent to the Construction Financing Event, Developer shall execute and deliver to the City the Environmental Indemnity (ATTACHMENT No. 15).

SECTION 3.3 Scope of Development

The Property shall be developed in accordance with and within the limitations established in the Scope of Development attached to this Agreement as ATTACHMENT No. 4 and plans approved by the City pursuant to this Agreement and permits issued by the City.

SECTION 3.4 Construction Drawings and Related Documents

a. Developer shall prepare and submit construction drawings and related documents for the development of the Property to the City for review (including, but not limited to, architectural review) and written approval at the times established in the Schedule of Performance. The construction drawings and related documents shall be submitted in two stages,

preliminary and final drawings, plans and specifications. Final drawings, plans, and specifications are hereby defined as those in sufficient detail to obtain a building permit. Any items so submitted and approved in writing by the City shall not be subject to subsequent disapproval. City approval shall not be unreasonably withheld.

b. Progressively detailed plans shall be approved by the City if exterior spaces and areas open to public view do not vary and the plans otherwise do not materially vary from previously approved plans, and if they are a logical evolution of previously approved plans and conform to the provisions of the Scope of Development. In the event of the disapproval by the City of any plans submitted by Developer, City shall promptly communicate in writing to Developer all reasons for such disapproval and all requirements for subsequent approval of revised plans.

c. During the preparation of all drawings and plans, the City staff and Developer shall hold regular progress meetings to coordinate the preparation of, submission to, and review of construction plans and related documents by the City. The City staff and Developer shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the City can receive prompt and speedy consideration.

d. If any revisions or corrections of plans approved by the City shall be required by a governmental official, authority, department or bureau having jurisdiction over the development of the Property, Developer and the City shall cooperate in efforts to obtain waiver of such requirements or to develop a mutually acceptable alternative. Neither the City nor Developer shall unreasonably withhold approval of a mutually acceptable alternative.

SECTION 3.5 City Approval of Plans, Drawings and Related Documents

a. As provided in SECTION 3.4, the City shall have the right of reasonable review (including, but not limited to, architectural review) of all plans, drawings and related documents for the development of the Property, including any proposed changes therein. The City shall approve or disapprove such plans, drawings, and related documents referred to in this Agreement (and any proposed changes therein), in writing, within the times established in the Schedule of Performance. Any disapproval shall state, in writing, the reasons for disapproval. Developer upon receipt of a disapproval, shall revise such portions of the plans, drawings or related documents in a manner that satisfies the reasons for disapproval and resubmit such revised portions to the City as soon as possible after receipt of the notice of disapproval. The City shall approve or disapprove such revised portions in the same manner and within the same times as provided in this SECTION 3.5 for approval or disapproval of plans, drawings, and related documents initially submitted to the City. No matter once approved shall be subsequently disapproved.

b. The City and the Developer acknowledge that Developer is required to submit plans, drawings and related documents for the development of the Property to the Redevelopment Agency for design approval. In the event of any conflict between the requirements of the City and the requirements of the Agency in approving, disapproving or

conditioning any submission of plans, drawings or related documents, the determination of the City shall take precedence and shall prevail.

SECTION 3.6 Cost of Construction

The cost of acquiring the Property and developing and constructing the Improvements thereon shall be the responsibility of the Developer, as provided in the Method of Financing. The Acquisition and Development Costs are set forth in the Project Budget (ATTACHMENT No. 6), which shall be subject to change from time-to-time as provided in the Method of Financing.

SECTION 3.7 Schedule of Performance

a. Developer and City shall perform all acts respectively required of such party in this Agreement within the times provided in the Schedule of Performance.

b. After the Construction Financing Event, Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the Improvements as provided in the Scope of Development. Developer shall begin and complete all construction and development within the times specified in the Schedule of Performance, with such reasonable extensions of said times as may be granted by the City. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by Developer and the City.

c. During periods of construction, Developer shall submit to the City a written report of the progress of the construction when and as requested by the City. The report shall be in such form and detail as may be reasonably required by the City and shall include a reasonable number of construction photographs (if requested) taken since the last report by Developer.

SECTION 3.8 Local, State, and Federal Laws

a. Developer shall carry out development, construction (as defined by applicable law) and operation of the Improvements on the Property, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including, without limitation, the requirement to pay state or federal prevailing wages, if applicable).

b. Developer hereby expressly acknowledges and agrees that neither the City of Inglewood nor City has ever previously affirmatively represented to the Developer or its contractor(s) for the Improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. Developer hereby agrees that Developer shall have the obligation to provide any and all disclosures or identifications required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. Developer shall indemnify, protect, defend and hold harmless the City, the City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to City and City, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including reasonable attorneys fees, court and litigation costs, and fees of expert witnesses)

which, in connection with the development, construction (as defined by applicable law) and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, the requirement to pay state prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law.

c. It is agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of state prevailing wages and/or Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, and/or any other similar law. "Increased costs" as used in this SECTION 3.8 shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time.

d. The foregoing indemnity shall survive termination of this Agreement and shall continue after Completion.

SECTION 3.9 Nondiscrimination During Construction

Developer, for itself and its successors and assigns, agrees that during the construction of the Improvements provided for in the Agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. All contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

> In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

SECTION 3.10 Indemnification and Insurance

a. During the period commencing with execution of this Agreement by the City, and until the issuance of the Release of Construction Covenants, Developer agrees to and shall defend, indemnify and hold the City of Inglewood and their respective officers, employees, contractors and agents harmless from and against all claims, liability, loss, damage, costs or

expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or to the property of any person arising directly or indirectly out of or related to the Property or the Developer or its officers, employees, contractors or agents. Developer shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions of the City or their respective officers, employees, contractors or agents.

b. Prior to the Construction Financing Event (except as provided in the next sentence), Developer shall furnish or cause to be furnished to the City evidence of the following policies of insurance, naming Developer as insured and, except as to the insurance described in paragraph (iv), below, the City and the City as additional insureds. The insurance described in paragraph (ii) shall be obtained prior to the initial rent-up of the apartments.

(i) Fire Policies: Developer shall maintain or cause to be maintained a policy or policies of insurance against loss or damage to the Property or the Improvements and all property of an insurable nature located upon the Property, resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage fire insurance policies. Such insurance shall be maintained in an amount not less than one hundred percent (100%) of the full insurable value of the Improvements, as defined herein in paragraph d.

(ii) Rental Income Insurance: Developer shall maintain or cause to be maintained use and occupancy or business interruption or rental income insurance against the perils of fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage fire insurance policies, in an amount that is acceptable to Developer and the City.

(iii) Liability Insurance: Developer shall maintain or cause to be maintained public liability insurance, to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Property and the business of the Developer on the Property, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Developer or its sublessees, or any person acting for Developer, or under its respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Property, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Developer or its tenants, or any person acting for Developer, or under its control or direction. Such property damage and personal injury insurance shall also provide for and protect City against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect during the Term in the following amounts: commercial general liability in a general aggregate amount of not less than Two Million Dollars ($2,000,000); and not less than One Million Five Hundred Thousand Dollars ($1,500,000) of bodily injury and property damage insurance. It is the mutual intent of the parties that the levels of insurance coverage described herein shall be and remain comparable to the level of insurance coverage that is customary with comparable operations in Los Angeles County. At any time during the Term, and from time to time, either party may provide notice to the other party that

the level of insurance being maintained by Developer is no longer comparable to the level of insurance coverage that is customary with comparable operations in Los Angeles County, and request that the minimum limit hereinabove designated shall be changed (either increased or decreased) accordingly. The party receiving such request shall not unreasonably withhold its consent to such change. Developer agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Developer may be held responsible for the indemnification of City or the payment of damages to persons or property resulting from Developer's activities, activities of its tenants or the activities of any other person or persons for which Developer is otherwise responsible.

(iv) Workers' Compensation Insurance: Developer shall maintain or cause to be maintained workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance shall cover all persons employed by Developer in connection with the Property and shall cover liability within statutory limits for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death in connection with the Property or the operation thereof by Developer. Notwithstanding the foregoing, Developer may, in compliance with the laws of the State of California and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Lessee shall deliver to City evidence that such self-insurance has been approved by the appropriate State authorities.

c. All policies hereunder shall not be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing shall have been sent by registered mail addressed to City, to the extent practicable within 30 days but in any event prior to the effective date thereof. All policies may name the City and Developer as insureds, additional insureds, and/or loss payable parties as their interests may appear.

d. The term "full insurable value" as used in this SECTION 3.10 shall mean the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Improvements on the Property immediately before such casualty or other loss, including the cost of construction, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Developer shall cause the full insurable value to be determined from time to time by appraisal by the insurer, by agreement between Developer and City or by an appraiser mutually acceptable to City and Developer, not less often than once every three years.

e. All insurance provided under this Section 3.10 shall be for the benefit of Developer, City. Developer agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Developer agrees to submit policies of all insurance required by this SECTION 3.10, or certificates evidencing the existence thereof, to City within 30 days prior to the Construction Financing Event, indicating full coverage of the contractual liability imposed hereby. Within thirty (30) days, if practicable, but in any event prior to

expiration of any such policy, copies of renewal policies, or certificates evidencing the existence thereof, shall be submitted to City. All insurance herein provided for under this SECTION 3.10 shall be affected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California reasonably approved by City. All policies or certificates of insurance shall provide that such policies shall not be canceled or limited in any manner without at least thirty (30) days prior written notice to City.

f. If Developer fails or refuses to procure or maintain insurance as required by this Agreement, City shall have the right, at City's election, and upon ten (10) days prior notice to Developer, to procure and maintain such insurance. The premiums paid by City shall be treated as a loan, due from Developer, to be paid on the first day of the month following the date on which the premiums were paid. City shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

SECTION 3.11 Disclaimer of Responsibility by the City

Except as provided in this Agreement, the City neither undertakes nor assumes nor will have any responsibility, right or duty to Developer or to any third party to review, inspect, supervise, pass judgment upon or inform Developer or any third party of any matter in connection with the Property, whether with respect to the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the Project, any person furnishing the same or otherwise. Developer and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to Developer or to any third party by the City or the City in connection with such matter is for the public purpose of providing affordable housing, and neither Developer (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon.

SECTION 3.12 Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon any portion of the Property, Developer shall, at its own expense, secure or cause to be secured, any and all permits which may be required by the City or any other governmental authority affected by such construction, development or work.

SECTION 3.13 Rights of Access

Commencing upon the Construction Financing Event, representatives of the City and the City shall have the reasonable right of access to the Property, upon two (2) business days' written notice to Developer (except in the case of an emergency, in which case City shall provide such notice as may be practical under the circumstances), without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of the City shall be those who are so identified in writing by the City Administrator or designee.

SECTION 3.14 Taxes, Assessments, Encumbrances and Liens

Commencing upon the Construction Financing Event, Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Property. Prior to Completion, Developer shall not place, or allow to be placed, on title to the Property or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement. In addition, Developer shall remove, or shall have removed, any levy or attachment made on title to the Property (or any portion thereof), or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amount of any tax assessment, encumbrance or lien, or to limit the remedies available to the Developer in respect thereto.

SECTION 3.15 Rights to Plans

a. Subject to the rights of the beneficiary of the Construction Loan Deed of Trust and subject to any third party consents, all work product prepared pursuant to this Agreement, including (but not limited to), all Plans, construction documents, soils tests and similar reports, Permits and other entitlements are hereby assigned to the City as security for Developer's obligations hereunder. In the event that this Agreement is terminated by the City, Developer shall, within ten (10) business days of such termination, transmit all such work product to the City.

b. To effectuate the assignment described in paragraph a., concurrently with executing a contract with the project architect, Developer shall execute and deliver to the City an Assignment of Agreements (the "Assignment"), substantially in the form attached to this Agreement as ATTACHMENT No. 14 in a form that is acceptable to the City Administrator, granting to the City all of Developer's rights to: (1) the Plans prepared pursuant to this Agreement; (2) the contract between Developer and its architect; (3) all Permits relating to the Project; and similar rights and property interests.

SECTION 3.16 Release of Construction Covenants

a. Promptly after completion of the Improvements, as generally and specifically required by this Agreement and in particular the Scope of Development, the City shall furnish Developer with a Release of Construction Covenants upon written request therefor by Developer. The City shall not unreasonably withhold such Release of Construction Covenants and such Release of Construction Covenants shall be issued so long as Developer has constructed and developed the Property in accordance with this Agreement and substantially in accordance with the Plans approved by the City pursuant hereto. Such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of all of the construction required by this Agreement.

b. The Release of Construction Covenants shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County. Certificates of Completion of construction for less than the completed Improvements and development of the entire Property shall not be recorded.

c. If the City refuses or fails to furnish a Release of Construction Covenants for the Property after written request from Developer, the City shall, within thirty (30) days of the written request, provide Developer with a written statement of the reasons the City refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the City's opinion of the action Developer must take to obtain a Release of Construction Covenants. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, and/or minor items, the City will issue its Release of Construction Covenants upon the posting of a bond by Developer with the City in an amount representing a fair value of the work not yet completed. If the City shall have failed to provide such written statement within said 30-day period, Developer shall be deemed to have received the Release of Construction Covenants.

d. Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to the beneficiary of the Construction Loan Deed of Trust, the AHP Deed of Trust, if any, the Gap Deed of Trust, if any, or any other Person. Such Release of Construction Covenants is not a notice of completion as referred to in Section 3093 of the California Civil Code.

PART 4 CONVEYANCE

SECTION 4.1 Conveyance to Developer

a. Agreement to Sell, Purchase and Lease.

In consideration for the assistance being provided to Developer by the City, Developer agrees, on or before the Construction Financing Event and the recordation of the Construction Loan Deed of Trust, to purchase the fee title to the Property from the City, in accordance with and subject to all the terms, covenants, and conditions of this Agreement and the grant deed attached to the Agreement as Attachment No. 18 ("Grant Deed") as well as continued compliance with all obligations of the Acquisition Agreement, incorporated herein by this reference, and the City agrees to convey title to the Property to the Developer in accordance with and subject to all the terms, covenants, and conditions of this Agreement. The parties hereto agree this Agreement constitutes a form of disposition and development agreement.

b. Purchase Price.

Developer shall pay as the purchase price for the Property (the "Purchase Price") the sum of Two Million Eight Hundred Thousand Dollars ($2,800,000), as well as all escrow and title costs associated with the conveyance of the Property from the City to the Developer.

c. Escrow

1. Developer and City agree to open an escrow for conveyance of title to the Property from the City to Developer, with the Escrow Agent, as soon as possible after execution of this Agreement. This Section 4.1 shall constitute the joint escrow instructions of the City and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow. The City and the Developer shall provide such

additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its acceptance thereof in writing, delivered to the City and to the Developer within 5 days after opening of the escrow, the Escrow Agent shall carry out its duties as Escrow Agent hereunder.

2. When all conditions precedent to the close of escrow have occurred, upon delivery to the Escrow Agent of the Grant Deed executed by City and Developer in recordable form, the Escrow Agent shall record the Grant Deed, the HOME Regulatory Agreement, HOME Deed of Trust, in that order, along with any other documents required from the lenders herein, and deliver the HOME Note given by the Grantee in satisfaction and payment of the Purchase Price in accordance with these escrow instructions, provided that title to the Property can be vested in accordance with the terms and provisions of this Agreement. The Escrow Agent shall buy, affix, and cancel any transfer stamps required by law.

3. The Developer shall pay in escrow to the Escrow Agent all fees, charges and costs necessary to close escrow promptly after the Escrow Agent has notified the City and the Developer of the amount of such fees, charges, and costs (the "Closing Costs"), but not earlier than ten (10) days prior to the scheduled date for the conveyance of the Property. The Closing Costs shall include:

A. Escrow fees;

B. Recording fees;

C. Notary fees, if any; and

D. Any State, County or City documentary stamps or transfer tax.

4. Developer shall also deposit with the Escrow Agent funds sufficient to pay the premium for title insurance requested by City and Developer, including any of Developer's lender, as provided in this Section 4.1., below.

5. The City shall timely and properly execute, acknowledge and deliver the Grant Deed conveying to the Developer title to the Property in accordance with the requirements of this Agreement.

6. The Developer shall timely and properly execute, acknowledge and deliver the acceptance of the Grant Deed conveying to the Developer title to the Property in accordance with the requirements of this Agreement.

7. The Escrow Agent is authorized to:

A. Pay, and charge the City and Developer for any fees, charges and costs payable under this Section 4.1.c. Before such payments are made, the Escrow Agent shall notify the City and Developer of the fees, charges and costs necessary to clear title and close the escrow.

B. Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the City and the Developer and the Title Company is committed to issue an extended form ALTA Developer's policy of Title Insurance to the City and Developer along with any and all extended form ALTA Loan policies of Title Insurance to Developer's lenders.

C. Record any instruments delivered through this escrow if necessary or proper to vest title in the City in accordance with the terms and provisions of this Agreement.

8. All funds received in this escrow shall be deposited by the Escrow Agent in a general escrow account with any state or national bank doing business in the State of California and reasonably approved by the Developer and the City, and may be combined in such with other escrow funds of the Escrow Agent.

9. If this escrow is not in condition to close on or before the Scheduled Closing Date, either party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, demand the return of its money, papers, or documents from the Escrow Agent. No demand for return shall be recognized until 10 days after the Escrow Agent (or the party making such demand) shall have mailed copies of such demand to the other party or parties at the address of its principal place of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the 10-day period, in which event the Escrow Agent is authorized to hold all money, papers, and documents with respect to the escrow until instructed by a mutual agreement of the parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible.

10. If objections are raised as above provided for, the Escrow Agent shall not be obligated to return any such money, papers, or documents except upon the written instructions of both the City and the Developer, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction. If no such objections are made within said 10-day period the Escrow Agent shall immediately return the demanded money, papers, or documents.

11. The parties understand they may be required to execute additional standard form escrow instructions required by the Escrow Agent ("General Instructions"). In the event of a conflict between this Agreement and any such General Instructions, this Agreement shall control. The parties agree, however, that they will refuse to sign General Instructions which (1) purport to relieve the Escrow Agent of liability for negligence or intentional wrong-doing; (2) excuse the Escrow Agent from strict compliance with each and all of the provisions of this document and the General Instructions; or (3) purport to authorize the Escrow Agent to follow the instructions or directive of any person not a direct signatory party to this Agreement. Any amendment to the escrow instructions shall be in writing and signed by both the City and the Developer. At the time of any amendment the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

12. All communications from the Escrow Agent to the City or the Developer shall be directed to the addresses set forth in Sections 1.5 and 1.6 of this Agreement, and in the manner set forth in Section 7.1 of this Agreement for notices between the parties hereto.

d. Conveyance of Title

Subject to any mutually agreed upon extension of time, the City shall convey title to the Property to the Developer on or before the February 10, 2012 (so long as all conditions precedent have been satisfied), or such later date mutually agreed to in writing by the City and the Developer and communicated in writing to the Escrow Agent.

e. Form of Deed

The City shall convey to the Developer title to the Property in the condition provided in paragraph g. of this Section 4.1 by Grant Deed in a form to be mutually agreed upon by the City and the Developer consistent with this Agreement. A form of the Grant Deed is attached hereto and incorporated herein as Attachment No. 18.

f. Condition of Title

Subject to the terms and conditions of this Agreement, the Developer shall convey to the City fee simple merchantable title to the Property free and clear of all liens (including, without limitation, the lien of the Construction Loan Deed of Trust, any other deed of trust recorded for financing purposes and any mechanics liens), encumbrances, assessments, easements, leases and taxes, except those which approved by the City and the Developer. The Construction Loan Deed of Trust and other deeds of trust for construction financing are to be recorded against Developer's fee interest following the Close of Escrow. City covenants and agrees not to mortgage or otherwise encumber or assign its interest in the Property, except to a successor in interest to the City as beneficiary/holder of a City Loan, without the prior written consent of Developer, which Developer shall not unreasonably withhold, condition or delay.

g. Conditions Precedent to the Close of Escrow

The Close of Escrow and the obligations of the Developer to convey title to the City to accept title hereunder and the Developer to accept such fee interest, are subject to the satisfaction prior to the Close of Escrow (unless otherwise provided), of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

1. Representations, Warranties and Covenants

A. Developer shall have duly performed each and every agreement to be performed by Developer hereunder prior to the Close of Escrow and Developer's representations, warranties and covenants set forth in this Agreement shall be true and correct as of the date of the close of Escrow.

B. City shall have duly performed each and every agreement to be performed by City hereunder prior to the Close of Escrow and City's representations, warranties and covenants set forth in this Agreement shall be true and correct as of the date of the close of Escrow.

2. Deliveries.

A. City shall execute, acknowledge and deliver in recordable form, the Grant Deed, Agreement containing Covenants, HOME Regulatory Agreement, LMIHF Regulatory Agreement, the HOME Deed of Trust, and LMIHF Deed of Trust to the Escrow Holder, when and as required in this Agreement.

B. Developer shall have delivered the items to the Escrow Holder, when and as required by this Agreement, including having executed, acknowledged, and presented in recordable form the Grant Deed, Agreement containing Covenants, HOME Regulatory Agreement, LMIHF Regulatory Agreement, the HOME Deed of Trust, and LMIHF Deed of Trust.

3. As of the Close of Escrow, all of the following Conditions Precedent to Conveyance of Title shall have been satisfied:

A. Condition of Title. Developer shall have accepted title to the Property "as-is" from the City.

B. Conditions Precedent to Financing. Developer shall have satisfied all conditions precedent to the Construction Financing Event (as provided in Section 12 of the Method of Financing).

C. Title Insurance Policies. The Title Company shall be committed to issue an extended ALTA form owner's Title Insurance Policy to the City concerning the reserved estate in the Grant Deed, an extended ALTA form owner's Title Insurance Policy to the Developer concerning the fee estate conveyed to the Developer under the Grant Deed, and as many extended ALTA Loan Title Insurance Policy(ies), as the parties may request, but neither party shall delay the close of escrow so long as the Title Company is prepared to issue the requested title insurance policies;

D. Closing Cost Statement. Escrow shall have delivered a closing statement of costs; and

E. Documents. City and Developer, or other parties, as appropriate, shall have executed all additional documents necessary or appropriate for the effectuation of this Agreement, including, but not limited to the General Assignment and Bill of Sale attached hereto as Attachment No. 20.

h. Failure of Conditions to Close of Escrow.

In the event any of the conditions precedent to the Close of Escrow are not timely satisfied:

1. Either party shall have the right to terminate this Agreement, the Escrow and the rights and obligations of City and Developer hereunder, except as otherwise provided herein; and

2. Escrow Agent is hereby instructed to promptly return to Developer and City all funds, if any, and documents deposited by them, respectively, into Escrow which are held by Escrow Agent on the date of said termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party hereunder; and

3. Neither party shall have any further rights or obligations hereunder except as otherwise provided herein.

i. Cancellation Fees and Expenses.

In the event this Escrow terminates because of the non-satisfaction of any condition or the default of City or Developer under this Agreement, the cancellation charges, if any, required to be paid by and to Escrow Agent and the Title Company shall be borne by party incurring the same, or in the event of termination due to default, the party in default.

j. Disbursements and Other Actions to be taken by the Escrow Agent.

At the Close of Escrow, the Escrow Agent shall promptly undertake all of the following in the manner hereinbelow indicated:

1. Pay the Purchase Price to City and cause all fees, charges, expenses, and premiums to be billed to Developer with copies of the City;

2. Cause the Grant Deed, Agreement containing Covenants, HOME Regulatory Agreement, the LMIHF Regulatory Agreement, the HOME Deed of Trust, and the LMIHF Deed of Trust, to be recorded, in that order, in the Official Records of the County Recorder of Los Angeles County, against Developer's fee interest estate, and obtain conformed copies thereof for distribution to the City and Developer;

3. Cause, when appropriate, the Construction Loan Deed of Trust and any other recordable Construction Loan instruments to be recorded in the Official Records of the County Recorder of Los Angeles County, against Developer's fee interest estate, and obtain conformed copies thereof for distribution to the Construction Lender and Developer; and

4. Cause, when and as appropriate, any other recordable City Instruments to be recorded in the Official Records of the County Recorder of Los Angeles County, against Developer's fee interest estate, and obtain conformed copies thereof for distribution to the City, Developer, and any other;

5. Direct the Title Company to issue an owner's title insurance policy to City insuring the City's reserved estate in the Property, an owner's title insurance policy to the Developer insuring the City's fee estate under the Grant Deed and such lenders' title insurance

policies requested by the City, as holders of the HOME Deed of Trust and LMIHF Deed of Trust.

6. Prepare and distribute to Developer and City, copies of both parties' escrow closing statements and a complete copy of all documents handled by Escrow.

k. Title Insurance

Concurrently with recordation of the Grant Deed, the Title Company shall provide and deliver an owner's title insurance policy to the City and an owner's title insurance policy to Developer. Developer shall pay the title insurance premium for all title insurance policies, including any extended coverage or special endorsements which are requested. Developer shall pay the title insurance premium for any lender's title insurance policies, including any extended coverage or special endorsements which are requested.

l. Taxes and Assessments.

Ad valorem taxes and assessments, if any, on the Property, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed, shall be borne by the Developer.

m. Occupants of the Property.

Title to the Property shall be conveyed to the Developer "as-is" including all legally valid third-party possessory rights, which shall include but not be limited to Los Angeles Enterainment, Inc., dba Savoy. A general assignment and bill of sale in the form attached to this Agreement as Attachment No. 20 will be executed and exchanged by the parties hereto.

PART 5. USE OF THE PROPERTY

SECTION 5.1 Uses

a. Developer covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Developer, its successors and assigns shall use the Property exclusively to provide affordable housing pursuant to the HOME Regulations for restricted income households, as provided in the Agreement Containing Covenants and the Scope of Development.

b. Prior to the Construction Financing Event, Developer shall submit to the City Administrator a Management Plan reasonably acceptable to the City Administrator, describing the proposed plans for managing and operating the Property. Approval of the Management Plan by the City Administrator or designee shall be a condition precedent to the Construction Financing Event, and, upon its approval, the Management Plan shall be attached to the Agreement Containing Covenants. Developer shall manage and operate the Property in accordance with the approved Management Plan, including such amendments as may be approved in writing from time to time by the Developer and the City Administrator or designee, for the entire Restricted Period.

c. In addition, the Developer shall submit on or before the first day of each fiscal year of the Restricted Period an estimated annual budget for management of the Property (the "Annual Project Budget") in accordance with the Management Plan. The Annual Project Budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amount required for insurance and all other expenses incident to the operation of the Project; and shall show the expected revenues to pay such expenses, including annual debt service requirements and reserve fund deposits and balances. The Annual Project Budget, including any amendments proposed by the Developer, shall be subject to the approval of the City Administrator, which approval shall not be unreasonably withheld or delayed.

d. Beginning on the date of first occupancy, for each fiscal year of the Restricted Period, Developer shall also submit on a quarterly basis a quarterly report for the management of the Property (the "Quarterly Report") in a form that is reasonably acceptable to the City Administrator. The Quarterly Report shall include a profit and loss statement, budget to date figures, and occupancy report. The City Administrator, in his sole discretion may waive the requirement of the Quarterly Report for one or more quarterly reporting periods. However, such waiver shall not operate to waive any subsequent requirement of the Quarterly Report for the Restricted Period upon written notice to Developer by the City Administrator.

e. As agreed upon in that certain exclusive negotiating agreement dated December 22, 2011 by and between City and Developer (the "ENA"), the parties thereto acknowledge and agree that the development of the Property shall be subject to the California Environmental Quality Act, California Public Resources Code Section 2100 et seq. (as amended and including any successor statutes and regulations promulgated pursuant thereto) ("CEQA"). In this regard, the City may conduct an Initial Study pursuant to Section 15063 of the CEQA Guidelines to determine if the Project may have a significant effect on the environment, and whether an environmental impact report ("EIR"), mitigated negative declaration ("MND") or other environmental review document shall be prepared in order to comply with CEQA. The Developer shall prepare and submit to City such plans, specifications, drawings, and other information, as specified by City, that are reasonably necessary to perform the environmental review process, if any, required by CEQA for the development of the Improvements and the Project, as defined in the ENA, and to prepare all environmental documentation required by CEQA.

f. Notwithstanding any obligation contained in the ENA and subject to the Developer providing the necessary information to City, City shall undertake the necessary steps, if any, to conduct the required level of environmental review process determined by City pursuant to CEQA requirements. City shall have the right, in its discretion, to contract with consultants for such work, at Developer's sole cost and expense. All costs relating to preparation of an EIR, MND or other appropriate CEQA documentation, and all other costs relating to CEQA compliance shall be the responsibility of the Developer and shall be in addition to the Deposit provided to the City under the ENA.

g. Prior to the obligation to provide the Quarterly Reports, following the execution date of this Agreement and through the period of construction of the Improvements, Developer

shall prepare such status reports, statements of progress, and news of the prosecution of the development contemplated by this Agreements ("Progress Reports"). Developer shall prepare such Progress Reports on a quarterly basis commencing on April 16, 2012, and not more frequently. Such Progress Reports shall be delivered to the City Administrator or designee. Contents of such Progress Reports shall be discussed with staff of the City well before such that City staff are well-informed of the contents of the Progress Reports prior to the delivery of the Progress Reports.

h. The Agreement Containing Covenants shall contain appropriate provisions implementing this Section 5.1.

i. The Grant Deed shall contain appropriate provisions implementing the use provisions of this Section 5.1 with the remedies reserved by the City under the Grant Deed under Section 6.12.

SECTION 5.2 Maintenance of the Property

a. Prior to the Construction Financing Event, the Developer shall prepare and submit to the City Administrator or his designee for review and approval a program (the "Maintenance Program") for the exterior and interior maintenance of the Property and the Improvements.

b. The Maintenance Program shall describe in reasonable detail the standards to be followed in maintaining the interior and exterior of the Improvements, including a schedule indicating the proposed frequency of each element of maintenance, and shall include, at a minimum, the following: periodic cleaning of the interior and exterior of the Improvements, including windows; removing graffiti; removing debris and waste materials and otherwise maintaining indoor and outdoor areas of the Property; maintaining any lawns, plants, shrubs and trees or other landscaping planted on the Property; performing inspections of all exterior features to determine whether repairs are required; conducting periodic protective treatments such as rust removal and caulking; conducting repairs to facades, roof, doors, windows and other exterior features; maintaining fencing and other security devices and systems; periodic repainting of the exterior; periodic repainting of the interior units and common areas; periodic replacing of the interior unit carpets; checking building systems, including, but not limited to the heating and cooling systems, smoke alarms and water heaters; checking interior unit appliances; and monitoring interior unit bathrooms for mold/mildew. . The Maintenance Program, including any amendments proposed by the Developer, shall be subject to the reasonable approval of the City Administrator.

c. At all times during the Restricted Period, the Developer shall maintain the Property and the Improvements in accordance with the approved Maintenance Program. To implement this requirement, Developer agrees to budget sufficient funds to pay for all reasonably anticipated costs (as indicated in the Annual Maintenance Budget). In the event the Developer fails to maintain the Property and the Improvements in accordance with the approved Maintenance Program, and does not cure such failure within thirty (30) days following notice from the City and if such failure cannot reasonably be cured within such 30 day period, Developer shall have such amount of time reasonably necessary to correct such failure;

thereafter, unless the Developer and City agree otherwise, the City shall have the right, but not the obligation, to enter the Property, correct any violation, and hold the Developer responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property. Prior to undertaking any work to correct any such maintenance deficiency, the City shall provide written notice that the Developer correct the deficiency within a reasonable time. The Developer shall have a reasonable time in which to comply following such notice from the City.

d. The Agreement Containing Covenants shall contain appropriate provisions implementing this Section 5.2.

e. The Grant Deed shall contain appropriate provisions requiring maintenance of the provisions of this Section 5.2 with the remedies reserved by the City under the Grant Deed under Section 6.12.

SECTION 5.3 Obligation to Refrain from Discrimination

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof or interest therein, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

   Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51

and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

   That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

   Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

3. In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

SECTION 5.4 Effect and Duration of Covenants

The covenants established in this Agreement shall run with the land, without regard to technical classification and designation, and shall be for the benefit and in favor of City, its successors and assigns, and the City. The covenants described in this Part 5 shall commence upon the Construction Financing Event and shall be set forth in the Agreement Containing Covenants and shall remain in effect for the respective periods specified therein.

SECTION 5.5 Effect of Violation of the Terms and Provisions of this Agreement

The City is deemed the beneficiary of the terms and provisions of this Agreement and the covenants herein, both for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. The City shall have the right if the covenants contained in this Agreement are breached and such breach is not cured within the time periods set forth in Sections 6.1 and 6.12, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants are entitled.

SECTION 5.6 Hazardous Substances.

Prior to the Construction Financing Event, Developer shall deliver to the City a true and complete copy of a Phase I environmental assessment of the Property as well as all subsequent reports relating to the presence of any Hazardous Substance on the Property. At the Construction Financing Event, Developer shall execute and deliver to the City an Environmental Indemnity, substantially in the form of ATTACHMENT No. 15.

SECTION 5.7 Monitoring

The parties acknowledge that this Agreement is subject to the provisions of Section 33418 of the California Health and Safety Code, which provides in pertinent part:

> "(a) An City shall monitor, on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an City shall require owners or managers of the housing to submit an annual report to the City. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants. The income information required by this section shall be supplied by the tenant in a certified statement of a form provided by the City."

Developer shall submit to the City on an annual basis the annual report required by said Section 33418. The annual report shall include for each residential unit the rental rate and the income and family size of the occupants. The income information shall be supplied by the tenant in a certified statement on a form provided by the City. Developer shall provide for the submission of such information in its lease or occupancy agreement with tenants.

SECTION 5.8 Agreement Containing Covenants

Concurrently with the Construction Financing Event, Developer and City shall execute and cause the recordation of an Agreement Containing Covenants substantially in the form attached to this Agreement as ATTACHMENT No. 12, which is incorporated herein by this reference.

PART 6. DEFAULTS AND REMEDIES

SECTION 6.1 Defaults - General

a. Subject to the Force Majeure Delay, as provided in SECTION 7.4, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

b. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

c. If a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by the injured party.

d. If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and the party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party.

e. If Developer fails to take corrective action or cure the default within a reasonable time, the City shall give the Senior Lender and, as provided in paragraph f., below, the Tax Credit Equity Investor notice thereof. Subject to the terms of the Developer's partnership agreement, the Tax Credit Equity Investor may take such action, including removing and replacing the general partner or managing member of the Developer with a substitute general partner or member, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The City agrees to accept cures tendered by any Senior Lender or Tax Credit Equity Investor within the cure periods provided in the Note. Additionally, in the event the Senior Lender or Tax Credit Equity Investor is precluded from curing a non-monetary default due to a bankruptcy, injunction, or similar proceeding by or against Developer or the general partner of Developer, the City agrees to forbear from completing a foreclosure (judicial or

nonjudicial) during the period during which the Senior Lender or Tax Credit Equity Investor is so precluded from acting, not to exceed 90 days, provided such Tax Credit Equity Investor and Senior Lender are otherwise in compliance with the foregoing provisions. In no event shall the City be precluded from exercising remedies if its rights become or are about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given.

f. After Developer gives written notice to City of the admission to Developer's limited partnership of the Tax Credit Equity Investor, City shall send to the Tax Credit Equity Investor a copy of all notices of default and all other notices that City sends to Developer, at the address for the Tax Credit Equity Investor as provided in Section 15(f) of the LMIHF Note and the HOME Note.

SECTION 6.2 Institution of Legal Actions.

Subject to the notice and cure provisions of Section 6.1, in addition to any other rights or remedies (and except as otherwise provided in this Agreement), either party may institute legal action 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 Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the United States District Court for the Central District of California.

SECTION 6.3 Applicable Law.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

SECTION 6.4 Acceptance of Service of Process

a. In the event that any legal action is commenced by the Developer against the City, service of process on the City shall be made by personal service upon the City Administrator or designee, or in such other manner as may be provided by law.

b. In the event that any legal action is commenced by the City against the Developer, service of process on the Developer shall be made by personal service upon the Developer (or upon a general partner, managing member or officer of the Developer) and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

SECTION 6.5 Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

SECTION 6.6 Damages.

If either party defaults with regard to any of the provisions of this Agreement, subject to the notice and cure provisions of Section 6.1 and the non-recourse provisions of Section 6.11, the defaulting party shall be liable to the non-defaulting party for any damages caused by such default, and the non-defaulting party may, after such notice and opportunity to cure (but not before) commence an action for damages against the defaulting party with respect to such default.

SECTION 6.7 Specific Performance.

If either party defaults with regard to any of the provisions of this Agreement, subject to the notice and cure provisions of Section 6.1, the non-defaulting party, at its option, may, after such notice and opportunity to cure (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

SECTION 6.8 Termination by Either Party.

Prior to the Construction Financing Event, either party shall have the right to terminate this Agreement in the event the other party is in default of any material term or provision of this Agreement, and, following notice, fails to cure such default within the time provided in SECTION 6.1.

SECTION 6.9 Termination by the Developer.

Prior to the Construction Financing Event, subject to the notice and cure provisions of SECTION 6.1, Developer shall have the right to terminate this Agreement, by providing written notice to the City, in the event of a default by City pursuant to this Agreement or in the even, Developer, despite its good faith efforts, is unable to satisfy the conditions precedent to the Construction Financing Event as set forth in Section 12(d) of the Method of Financing.

SECTION 6.10 Termination by City.

a. Subject to the notice and cure provisions of SECTION 6.1, City shall have the right, prior to the Construction Financing Event, to terminate this Agreement, by providing written notice to Developer, in the event of a default by Developer or failure of any condition precedent to the occurrence of the Construction Financing Event which is in the control of Developer, including but not limited to the following:

(1) Developer fails to submit to the City evidence of financing or fails to satisfy any other condition precedent to the occurrence of the Construction Financing Event as provided in the Method of Financing within the time established therefor in the Schedule of Performance; or

(2) Developer (or any successor in interest) assigns or attempts to assign any of Developer's rights in and to the Property or any portion thereof or interest therein, or this Agreement or any portion hereof, except as permitted by this Agreement; or

(3) there is substantial change in the ownership of the Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of SECTION 1.7 hereof; or

(4) Developer fails to submit any of the reports, plans, drawings and related documents required by this Agreement by the respective dates provided in this Agreement therefor.

b. After the Construction Financing Event, but before Completion, City shall have the additional right to terminate this Agreement in the event any of the following defaults shall occur:

(1) Developer fails to commence construction of the Improvements as required by this Agreement and such breach is not cured within the time provided in SECTION 6.1 of this Agreement; or

(2) Developer abandons or substantially suspends construction of the improvements and such breach is not cured within the time provided in SECTION 6.1 of this Agreement; or

(3) Developer assigns or attempts to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of the Property, or any part thereof, in violation of this Agreement, and such breach is not cured within the time provided in SECTION 6.1 of this Agreement; or

(4) Developer otherwise materially breaches this Agreement, and such breach is not cured within the time provided in SECTION 6.1 of this Agreement.

SECTION 6.11 Limited Recourse Obligations

Subject to the provisions and limitations of this SECTION 6.11, the obligation to repay the City Loan is a nonrecourse obligation of the Developer. Developer and any general partner or limited partner of Developer shall not have any personal liability for repayment of the City Loan, except as provided in this SECTION 6.11. The sole recourse of City shall be the exercise of its rights against the Property and any related security for the City Loan. Provided, however, that the foregoing shall not (a) constitute a waiver of any obligation evidenced by the HOME Note or the HOME Deed of Trust or the LMIHF Note or the LMIHF Deed of Trust; (b) limit the right of the City to name Developer as a party defendant in any action or suit for judicial foreclosure and sale under the HOME Note or the HOME Deed of Trust or the LMIHF Note or the LMIHF Deed of Trust or any action or proceeding thereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Developer; (c) release or impair the HOME Note or the HOME Deed of Trust or the LMIHF Note or the LMIHF Deed of Trust; (d) prevent or in any way hinder City from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing the Notes or as prescribed by law or in equity in case of default; (e) prevent or in any way hinder City from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for

relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing the Notes; (f) relieve Developer of any of its obligations under any indemnity delivered by Developer to City; or (g) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by the HOME Note or the HOME Deed of Trust or the LMIHF Note or the LMIHF Deed of Trust. Notwithstanding the first sentence of this paragraph, City may recover directly from Developer or from any other party:

(A) any damages, costs and expenses incurred by City as a result of fraud or any criminal act or acts of Developer or any partner, shareholder, officer, director or employee of Developer, or of any member or general or limited partner of Developer, or of any general or limited partner of such member or general or limited partner;

(B) any damages, costs and expenses incurred by City as a result of any misappropriation of funds provided for the construction of the Improvements, rents and revenues from the operation of the Improvements or proceeds of insurance policies or condemnation proceeds;

(C) any and all amounts owing by Developer pursuant to the indemnification regarding Hazardous Substances pursuant to the Environmental Indemnity, and

(D) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that City shall pay Developer's reasonable court costs and attorneys' fees if Developer is the prevailing party in any such enforcement or collection action).

SECTION 6.12 Reserved Estate Under Grant Deed

The Property is conveyed in accordance with and the HOME Regulations, this Agreement, and terms of the Grant Deed, which reflect the following terms and conditions incorporated herein to this Agreement:

(a) The Property is conveyed to Developer at a purchase price herein called "Purchase Price", determined in accordance with the uses permitted. Therefore, Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

(i) Devote the Property only to the development permitted and the uses specified in the Grant Deed, the HOME Regulations, and the Agreement.

(ii) Construct, develop, and devote the Property solely and exclusively as housing that is affordable to Very Low Income, Low Income and Moderate Income Households, except for that unit designated as the management unit for the on-site community manager. Sixteen (16) of the restricted Sixty One (61) units shall be designated as HOME units and restricted to Very Low Income and Low Income households, as follows:

(1) Two (2) two-bedroom units shall be restricted for occupancy by Very Low Income households – Low HOME/Tax Credit (30% Median)

(2) Three (3) two-bedroom units shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (40% Median)

(3) Five (5) two-bedroom units shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (45% Median)

(4) Five (5) three-bedroom units shall be restricted for occupancy by Very Low Income households – Low HOME/Tax Credit (30% Median)

(5) One (1) three-bedroom unit shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (40% Median)

(6) The total square footage of the HOME units must be at least Sixteen Thousand One Hundred (16,100) square feet. For reference purposes only, two 2-bedroom units and five of the 3-bedroom units may be denominated as "30%" Tax Credit units, three of the 2-bedroom units and one of the 3-bedroom units may be denominated as "40%" Tax Credit units, and five of the 2-bedroom units may be denominated as "45%" Tax Credit units.

(iii) The maximum rents, including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by Very Low Income households shall not exceed the lesser of either (1) or (2) of the following rent requirements:

(1) The rent does not exceed the lesser of (a) 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, as provided by HUD; (b) the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or (c) 30 percent of the adjusted income of a family whose annual income equals 40 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit; or

(2) The rent does not exceed 30 percent of the family=s adjusted income. If the unit receives Federal or State project-based rental subsidy and the Very Low Income family pays as contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

(iv) Continuously operate, or cause to be continuously operated, an affordable housing complex pursuant to the Agreement along with such ancillary uses within the Property which contribute to the programming objectives

(v) Maintain the improvements on the Property in substantially the same aesthetic and sound condition (or better) following construction of the improvements This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below and in the Scope of Development attached to the Agreement.

However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and prompt repainting or repair or replacement of all damaged or deteriorated surfaces, fencing, walls, equipment, etc.; emptying of trash receptacles and removal of litter; sweeping of on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the building(s) on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices (if any) in good working order. In the event Developer, its successors or assigns fails to maintain the improvements in accordance with the standard for the quality of maintenance, the City or its designee shall have the right but not the obligation to enter the Property upon reasonable notice to Developer, correct any material violation, and hold Developer, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

(b) Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer shall promptly notify the City of any and all changes whatsoever in the identity of the parties in ownership of the Developer or the degree thereof (other than routine changes in officers or board membership), in the status of the entity of the Developer as a non-profit public benefit corporation and/or in the purpose of the Developer, of which it or any of its officers or board members have been notified or otherwise have knowledge or information.

(c) Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Property and each portion thereof while the Property is owned by Developer. Developer shall remove, or shall have removed, any levy or attachment made on the Property (or any portion thereof).

(d) Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer shall not assign or attempt to assign the Agreement or any right therein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property or the improvements thereon, without prior written approval of the City. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the redevelopment of the Property as set forth in the Agreement, nor shall it prohibit the leasing of space or other reasonable arrangement for occupancy of a portion of the Property by a third party so long as such lease or other reasonable arrangement is for an ancillary use within the Property which contributes to the school's programming objectives and which is approved in writing by the City in its sole discretion.

(e) Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that in the event that City does assign the Agreement or any of the rights therein, or does sell, transfer, convey or assign the Property (or portion thereof), or the buildings or structures thereon in violation of the Agreement and this Grant Deed, the City shall be entitled to increase the Purchase Price paid by the Developer for the Property by the amount that the consideration payable for such sale, transfer, conveyance or

assignment of the Property (or portion thereof) is in excess of the Purchase Price paid by the Developer for the Property. The consideration payable for such sale, transfer, conveyance or assignment to the extent it is in excess of the amount so authorized, but only to the extent the City is authorized to increase the Purchase Price as provided in the preceding sentence, shall belong and be paid to the City and until so paid the City shall have a lien on the Property and any part involved for such amount.

(f) Except as otherwise agreed upon by City, Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer is prohibited from encumbering the Property with or entering into any mortgages, deeds of trust, conveyances and leases-back, or any other form of security interest, encumbrance or lien in connection with any debt financing. The words "mortgage" and "deed of trust" as used herein include all modes of financing.

(g) Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that the City shall have the right, at its option, to reenter and take possession of the Property (or portion thereof) with all improvements thereon, and to terminate and revest in the City the estate theretofore conveyed to the Developer, if after conveyance of title and prior to the recordation of the Release of Construction Covenants pertaining to the Property, Developer (or its successors in interest) shall:

(i) fail to commence construction of the Project as required by the Agreement for a period of three (3) months after the date of receipt or deemed receipt of written notice of default from the City, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled pursuant to Section 604 of the Agreement; or

(ii) abandon or substantially suspend construction of the Project for a period of nine (9) months after the date of receipt or deemed receipt of written notice of default from the City, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled to pursuant to Force Majeure Delay; or

(iii) fail to complete construction of the Project and move-in and reestablish operation of the Project as required by the Agreement for a period of nine (9) months after the date of receipt or deemed receipt of written notice of default from the City, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled pursuant to a Force Majeure Delay; or

(iv) violate the provisions of Parts 1, 2, 3, 4, or 5 of the Agreement and such violation is not cured within three (3) months after the date of receipt or deemed receipt of written notice of default from the City.

(v) City and Developer acknowledge and agree that the cure periods for this Section shall be as set forth above and not as set forth in Parts 5 and 6 of the Agreement.

(vi) To the extent that the right established in this Section involves a forfeiture, it must be strictly interpreted against the City, the party for whose benefit it is created. The

rights established in this Section are to be interpreted in light of the fact that the City will convey the Property to the Developer for development and operation of an affordable housing complex and potential redevelopment and not for speculation in undeveloped land.

(h) Developer agrees to comply with the requirements of Section 5.3 concerning the obligation to refrain from discrimination.

(i) All conditions, covenants and restrictions contained in the Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, and the City and its successors and assigns, against Developer, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

(j) The covenants against discrimination set forth in Sections 8 and 9 of the Grant Deed shall remain in effect in perpetuity. The covenants, conditions and restrictions contained in Section 7 of the Grant Deed shall remain in effect until recordation of a Release of Construction Covenants for the Property. All other covenants, conditions and restrictions contained in the Grant Deed shall remain in effect for a period of fifty five (55) years from the date of recordation of the Grant Deed in the Office of the County Recorder of Los Angeles County.

(k) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of City and the Inglewood Housing Authority, or its successor or assigns, and such covenants shall run in favor of City and the Inglewood Housing Authority, or its successor or assigns, for the entire period during which such covenants shall be in force and effect, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. City and the Inglewood Housing Authority, or its successor or assigns, shall each have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

SECTION 6.13 Asbestos Abatement Obligation

The Acquisition Agreement contains certain obligations owed by the Developer to the City to abate asbestos and asbestos containing materials in the event a disposition and development agreement is not executed by the Developer. As a material inducement for the City to enter into this Agreement and the LMIHF Loan, the Developer agrees to provide the Environmental Indemnity attached to this Agreement as Attachment No. 15.

PART 7. GENERAL PROVISIONS

SECTION 7.1 Notices

Formal notices, demands and communications between the City and the Developer and Investor Limited Partner shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the City and the Developer and Investor Limited Partner, as designated in Sections 1.5 and 1.6 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 7.1. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

SECTION 7.2 Conflicts of Interest

No member, official, or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. Developer warrants that it has not paid or given, and will not pay or give, directly or indirectly, any City, City agency or authority, or City employee or official, any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Developer warrants that it has no knowledge of any financial interest of any City, City agency or authority or City employee or official in Developer, directly or indirectly, or in any person or entity affiliated with Developer, or in any transaction in which Developer or its affiliates or subsidiaries have been involved

SECTION 7.3 Nonliability of City Officials and Employees

No member, official, agent, legal counsel or employee of City shall be personally liable to Developer, or any successor in interest in the event of any default or breach by City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement. No member, official, agent, legal counsel or employee of Developer shall be

personally liable to City, or any successor in interest in the event of any default or breach by Developer or for any amount which may become due to City or successor or on any obligation under the terms of this Agreement except as otherwise set forth in this Agreement.

SECTION 7.4 Force Majeure.

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to Force Majeure Events.

SECTION 7.5 Inspection of Books and Records.

The Developer shall maintain complete, accurate, and current records pertaining to the Property for a period of five (5) years after the creation of such records, and shall permit any duly authorized representative of the City to inspect and copy records, during regular business hours upon reasonable advance notice. Records must be kept accurate and current.

SECTION 7.6 Approvals

a. Except as otherwise expressly provided in this Agreement, approvals required of City or Developer in this Agreement, including the attachments hereto, shall not be unreasonably withheld or delayed. All approvals shall be in writing. Except as otherwise expressly provided in this Agreement, failure by either party to approve a matter within the time provided for approval of the matter shall not be deemed a disapproval, and failure by either party to disapprove a matter within the time provided for approval of the matter shall not be deemed an approval.

b. Except as otherwise expressly provided in this Agreement, approvals required of the City shall be deemed granted by the written approval of the City's Administrator or designee. City agrees to provide notice to Developer of the name of the City's Administrator's designee on a timely basis, and to provide updates from time to time. Notwithstanding the foregoing, the City Administrator or designee may, in his or her sole discretion, refer to the governing body of the City any item requiring City approval; otherwise, "City approval" shall mean and refer to approval by the City Administrator or designee.

c. Developer acknowledges that the development of the Improvements requires approvals and entitlements from the City in its regulatory capacity. Developer shall submit conceptual site plans and preliminary designs for the development of the Improvements to the appropriate City departments for their informal review. The Developer acknowledges that execution of this Agreement by the City does not constitute approval by the City of any required permits, applications, or allocations, and in no way limits the discretion of the City in the entitlement, permit and approval process. This Agreement does not (1) grant any land use entitlement to Developer; (2) supersede, nullify or amend any condition which may be imposed by the City in connection with any approval of the development of the Improvements; (3) guarantee to Developer or any other person or entity any profits from the development of the Property; or (4) amend any City laws, codes or rules. This is not a Development Agreement as provided in Government Code Section 65864.

d. Nothing contained herein shall be deemed to limit, restrict, amend or modify, nor to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of the City, its departments, commissions, agencies and boards and the officers thereof, including, without limitation, any redevelopment plan or general plan or any zoning ordinances, or any of City's duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of City in the furtherance of the public health, welfare and safety of the inhabitants thereof, including, without limitation, the right under law to make and implement independent judgments, decisions and/or acts with respect to planning, development and/or redevelopment matters (including, without limitation, approval or disapproval of plans and/or issuance or withholding of building permits) whether or not consistent with the provisions of this Agreement or any other documents contemplated hereby (collectively, "City Rules and Powers"). In the event of any conflict, inconsistency or contradiction between any terms, conditions or provisions of this Agreement or such other documents, on the one hand, and any such City Rules and Powers, on the other hand, the latter shall prevail and govern in each case. This Section shall be interpreted for the benefit of City.

e. Notwithstanding the foregoing and without prejudice to the Developer who desires to move forward with development of the Improvement on the Property, the Economic Development Department of the City, with the consent of the City Administrator or designee, as appropriate, agrees to cooperate, accommodate and permit, to the extent necessary, the City's name, as fee owner, to appear on entitlement applications in the Planning Department of City, as co-applicant. Developer acknowledges and agrees entry into this Agreement by the City shall in no way constitute or be deemed commitment or pre-commitment to any future approval, authorization or agreement of any entitlement, use, zone change, or like certification or approval by the City under its City Rules and Powers or any other City and municipal body or joint power associated with the City.

SECTION 7.7 Real Estate Commissions.

Neither the City nor the Developer shall be liable for any real estate commissions, brokerage fees or finders fees which may arise from this transaction. The City and the Developer each represent to the other that it has employed no broker, agent, or finder in connection with this transaction.

SECTION 7.8 No Third Party Beneficiaries.

This Agreement is made solely and specifically between the City and Developer and their respective successors and assigns; and, except as expressly provided otherwise in this Agreement, no other person will have any rights, interest or claims under this Agreement or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

SECTION 7.9 City to Sign.

Developer hereby represents that the person executing this Agreement on behalf of Developer has full authority to do so and to bind Developer to perform pursuant to the terms and conditions of this Agreement.

SECTION 7.10 No Partnership.

Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or any other similar relationship between the parties hereto or cause City to be responsible in any way for the debts or obligations of Developer or any other Person.

SECTION 7.11 Compliance with Law.

Developer agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Property and the Improvements, as well as operations conducted thereon. The judgment of any court of competent jurisdiction, or the admission of Developer in any action or proceeding, whether City be a party thereto or not, that Developer has violated any such ordinance or statute in the development and use of the Property shall be conclusive of that fact as between City and Developer.

SECTION 7.12 Binding Effect.

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 7.13 Incorporation by Reference.

Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

SECTION 7.14 Counterparts.

This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

SECTION 7.15 Construction and Interpretation of Agreement

a. The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each party has been given the opportunity to independently review this Agreement with legal counsel, and that each party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof.

Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the party preparing it, and instead other rules of interpretation and construction shall be utilized.

b. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

c. The captions of the articles, sections and subsections herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as part of this instrument.

d. References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

e. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

PART 8 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

a. This Agreement shall be executed in three duplicate originals each of which is deemed to be an original. This Agreement shall constitute the entire understanding and agreement of the parties.

b. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Property.

c. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Developer, and all amendment hereto must be in writing and signed by the appropriate authorities of the City and the Developer. This Agreement and any provisions hereof may be amended by mutual written agreement by the Developer and the City.

PART 9 TIME FOR ACCEPTANCE OF AGREEMENT BY CITY

This Agreement, when executed by Developer and delivered to City, must be authorized, executed and delivered by City within thirty (30) days after date of signature by Developer or this Agreement may be terminated by Developer upon written notice to City. The effective date of this Agreement shall be the date when this Agreement has been executed by City.

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Developer have signed this Agreement as of the dates set opposite their signatures.

"City"

CITY OF INGLEWOOD

DATED: 1/31/2012

By: _____
James T. Butts, Jr.
Mayor

ATTEST:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO FORM AND LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel to the City

By: _____
Royce K. Jones

"Developer"

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

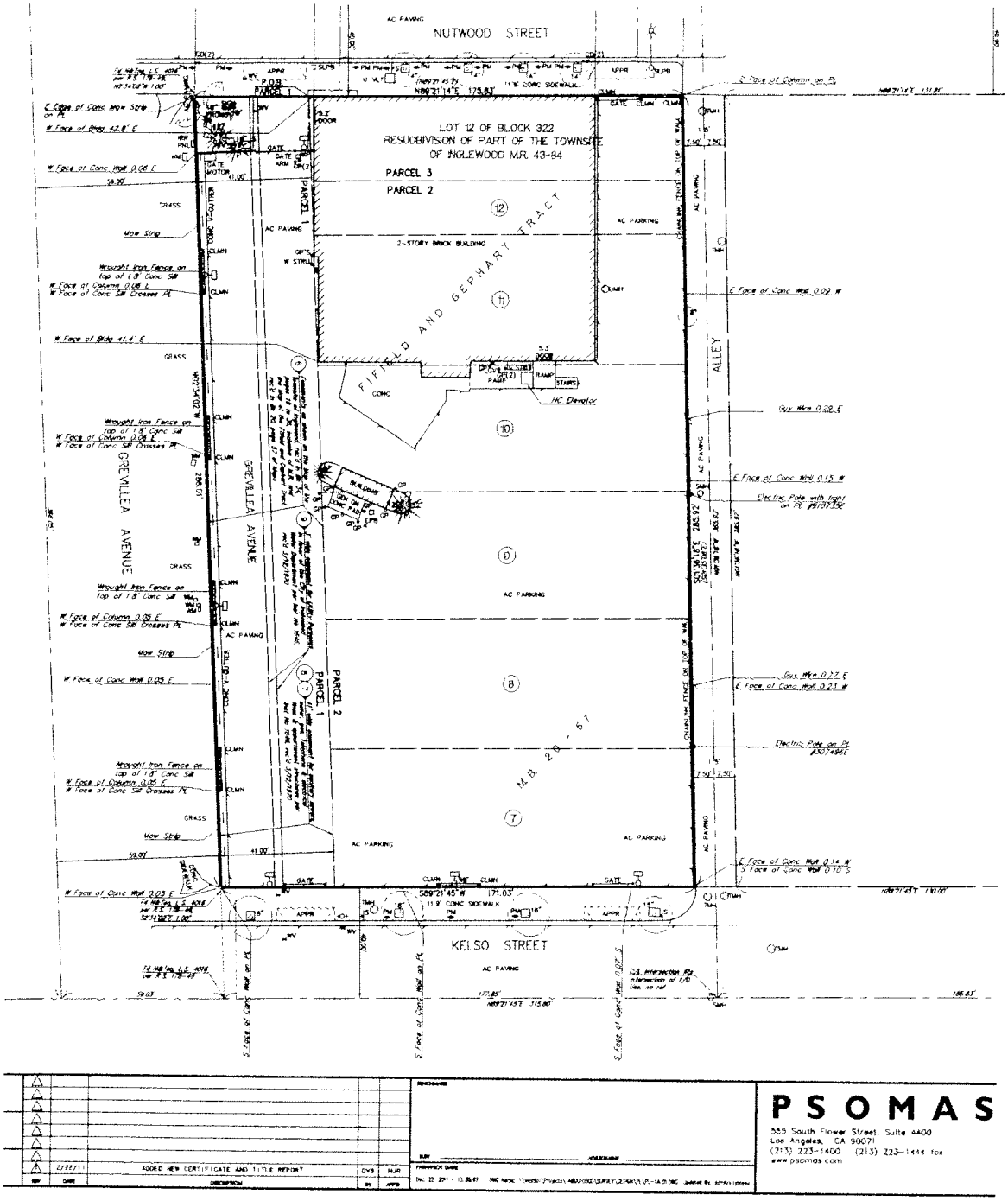
By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

DATED: 1/31/2012 By: _____
Robin Hughes
Chief Executive Officer

ATTACHMENT NO. 1

to Disposition and Affordable Housing Development Agreement

SITE MAP



ATTACHMENT NO. 2
to Disposition and Affordable Housing Development Agreement

LEGAL DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

ATTACHMENT NO. 3
to Disposition and Affordable Housing Development Agreement

METHOD OF FINANCING

This is the Method of Financing attached to the Disposition and Affordable Housing Development Agreement (the "Agreement") between the City of Inglewood (the "City") and Grevillea Housing, LP, a California limited partnership ("Developer"), relating to Developer's acquisition of the Property and construction of a 62-unit family affordable housing apartment project, to be rented (with the exception of one manager's units) at Affordable Rents to Very Low Income and Low and Moderate Income households (the "Project"). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Agreement.

The Project will be financed by a combination of construction and permanent loans, the HOME Loan, LMIHF Loan, an AHP Grant/Loan, if any, a Gap Grant/Loan, if any, and Developer Equity derived from the syndication of the Low Income Housing Tax Credits. For purposes of this Agreement, "Nine Percent" refers to the applicable percentage of the qualified basis for a building that is not federally subsidized, as provided in Internal Revenue Code Section 42(b)(1); for the purposes of this Agreement, the current tax credit application sets the annual tax credit rate at "Nine Percent" and this rate is applied over the 10-year tax credit period.

1. **Definitions**. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

2. **Total Development Costs**. The parties estimate that the Total Development Costs shall be approximately $28,157,000 and comprised of Property Assemblage Costs, Direct Costs, Indirect Costs, and Financing Costs. Note that this Agreement is contingent upon the Project being reviewed by the City Administrator or designee again prior to the Developer submitting a tax credit application with the Tax Credit Allocation Committee ("TCAC") on the second TCAC application round of June 2012; as a result, the Total Development Costs may change accordingly following such review.

(i) Property Assemblage Costs. Approximately $3,353,000 of the Total Development Costs is allocated to Property Assemblage Costs, broken down in the following three categories: $2,800,000 as property acquisition costs, $510,000 as demolition costs, and $43,000 as closing costs. The breakdown of the Property Assemblage Costs is reflected on Table 1, Section I, Property Assemblage Costs, in the Project Budget (Attachment No. 6 to this Agreement).

(ii) Direct Costs. Approximately $18,571,000 of the Total Development Costs is allocated to direct construction costs at prevailing wage for off-site improvements, on-site improvements, parking costs, residual shell costs, furnishings, fixtures and equipment, contractor fees / general requirements, construction bonds, and a contingency allowance. The breakdown

of the Direct Costs is reflected on Table 1, Section II, Direct Costs, in the Project Budget (Attachment No. 6 to this Agreement).

(iii) Indirect Costs. Approximately $4,785,000 of the Total Development Costs is allocated to indirect costs for architecture, engineering and consulting, permits and fees, taxes, legal and accounting, insurance, marketing and leasing, developer fee, and a contingency allowance. The breakdown of the Indirect Costs is reflected on Table 1, Section III, Indirect Costs, in the Project Budget (Attachment No. 6 to this Agreement).

(iv) Financing Costs. Approximately $1,448,000 of the Total Development Costs is allocated to financing costs for interest during construction, financing fees pertaining to predevelopment, construction and permanent financing, an operating reserve, and Tax Credit Allocation Committee fees. The breakdown of the Financing Costs is reflected on Table 1, Section IV, Financing Costs, in the Project Budget (Attachment No. 6 to this Agreement).

3. **Sources of Financing**. The parties anticipate that the Total Development Costs shall be financed with a combination of funds during the construction and thereafter at the time of conversion to permanent financing. Note that this Agreement is contingent upon the Project being reviewed by the City Administrator or designee again prior to the Developer submitting a tax credit application with the Tax Credit Allocation Committee ("TCAC") on the second TCAC application round of June 2012; as a result, the Sources of Financing may change accordingly following such review.

(i) Construction Financing.

(a) The Construction Loan, in the approximate original principal amount of $15,186,190, to be secured by a first deed of trust.

(b) A second priority HOME Loan from the City in the original principal amount of $2,800,000 evidenced by the HOME Note and secured by the HOME Deed of Trust. The HOME Loan is to be recorded in the Official Records of the County of Los Angeles ("Official Records") at the time of conveyance of title to the Property from the City to the Developer. At the Construction Financing Event, the City Administrator may authorize a one-time subordination of the HOME Deed of Trust only to a first priority Construction Loan Deed of Trust so long as the subordination agreement meets the approval of the City Administrator and adequate protections are expressly set out for the benefit of the City under the the Construction Loan Documents.

(c) A third priority LMIHF Loan from the City in the original principal amount of up to $8,284,419 (as further referenced in the Agreement) evidenced by the LMIHF Note and secured by the LMIHF Deed of Trust.

A portion of the LMIHF Funds may be used to partially offset the demolition costs and closing costs in the amount of up to $553,000 following conveyance of title to the Property from the City to the Developer at the time the Developer has secured the Construction Loan to pay the balance of aforesaid demolition and remediation of asbestos, asbestos containing materials, and lead-based paint in the amount of up to $510,000 along with an amount of up to $43,000 to pay for closing costs incident to the conveyance of title to the Property from the City to the Developer. In the event of disbursement of the LMIHF Loan prior to the Construction Financing Event, the City Administrator, according to the LMIHF Loan, may authorize a one-time subordination of the LMIHF Deed of Trust only to a first priority Construction Loan Deed of Trust and second priority HOME Deed of Trust on the Construction Financing Event Date so long as the subordination agreement meets the approval of the City Administrator and there is a finding of no reasonable economically feasible alternative exists and adequate protections are expressly set out for the benefit of the City under the LMIHF Loan in the Construction Loan Documents in conformance with Health & Safety Code section 33334.14(a)(4).

(d) Equity and Deferred Costs. Owner Equity consisting of: (i) initial advances and capital contributions made by Developer's Limited Partner, in the approximate amount of $1,420,574, (ii) an initial advance of $100 from the Developer's General Partner, (iii) the deferral of the certain deferred costs in the approximate amount of $973,977. The deferred costs may include Deferred Developer Fee and Deferred GC Profit and Overhead. In the event the deferred costs include the unpaid portion of the Deferred Developer Fee and Deferred GC Profit and Overhead to be paid to Developer to the extent available from the Developer's share of the Gap Loan/Grant, the AHP Grant/Loan and the gross cash flow of the Project. Developer's right to be paid the Deferred Developer Fee and Deferred GC Profit and Overhead from the gross cash flow of the Project shall be prior to the City's right to receive Residual Receipts payments. In addition, Developer shall be responsible during the Construction Period, to provide funds if and as needed to pay for the Cost Overruns not funded by the sources set forth in Section 14, below, and contingencies not otherwise funded by the sources of funds as described herein.

(ii) Permanent Loan. Approximately 18 months following the Construction Financing Event Date (the "Conversion Date"), the Construction Loan is to be converted into the Permanent Loan by the Senior Lender. The Construction Loan is to be taken out on the Conversion Date by a combination of funds, including the Limited Partner Capital Contribution, Permanent Loan, a portion of the LMIHF Loan, if, and as applicable, the AHP Grant/Loan, if,

and as applicable, and the Gap Grant/Loan, if, and as applicable. On the Conversion Date, the encumbrances of the record against the Property in the Official Records will reconvey the Construction Loan Deed of Trust and leave the following priorities for the sources of financing after taking out the Construction Loan:

(a) Approximately $2,775,000 is to be funded by the Permanent Lender as the Permanent Loan and evidenced by a Permanent Note which is secured by Permanent Deed of Trust recorded at or near the Conversion Date in first priority in the Official Records.

(b) The HOME Loan as evidenced by the HOME Note which is secured by the HOME Deed of Trust recorded at or near the Conversion Date in third priority in the Official Records, junior only to the Permanent Deed of Trust.

(c) The LMIHF Loan as evidenced by the LMIHF Note which is secured by the LMIHF Deed of Trust recorded at or near the Conversion Date in second priority in the Official Records, junior only to the Permanent Deed of Trust and the HOME Deed of Trust.

(d) The AHP Grant/Loan in the approximate amount of $610,000 as evidenced by the AHP Grant/Loan documentation which is secured by the Gap Grant/Loan Deed of Trust recorded at or near the Conversion Date in fourth priority in the Official Records, junior only to the Permanent Deed of Trust, LMIHF Deed of Trust, and the HOME Deed of Trust.

(e) In the event the AHP Grant/Loan is not fully funded in the amount above, such other Gap Grant/Loan as evidenced by the Gap Grant/Loan documentation, if and as applicable, which may be secured by the Gap Grant/Loan Deed of Trust recorded at or near the Conversion Date in fifth priority in the Official Records, junior only to the Permanent Deed of Trust, LMIHF Deed of Trust, HOME Deed of Trust, and, if applicable, the AHP Grant/Loan Deed of Trust.

(f) In addition to the financing above, the Construction Loan is to be partially taken out and paid by the Owner's Equity, which includes the Limited Partner Capital Contribution. On the Conversion Date the Owner's Equity is anticipated to be approximately Fourteen Million Two Hundred Five Thousand Seven Hundred Forty One Dollars ($14,205,741). Unlike the foregoing sources of financing, the Owner's Equity is considered equity without an encumbrance of record in the Official Records recorded against the Property as security. Owner Equity shall at the Conversion Date be not less than Fourteen Million Two Hundred Five Thousand Seven

Hundred Forty One Dollars ($14,205,741) and may consist of (i) the deferral of the Developer Fee, (2) the deferral of the General Contractor's Overhead and Profit, if satisfactory evidence is provided to the City Administrator, or his designee, (3) the Developer's Tax Credit Performance Deposit Refund, plus (4) the initial Limited Partner's Capital Contribution and the additional Limited Partner's Capital Contribution.

5. **Project Budget**. The parties anticipate that the Total Development Costs shall be as set forth in the Project Budget attached to the Agreement as Attachment No. 6, which is incorporated herein by this reference (the "Project Budget"). This Agreement is contingent upon the Project and the Project Budget being reviewed by the City Administrator or designee again prior to the Developer submitting a tax credit application with the TCAC for the second TCAC application round of June 2012 to confirm the actual amount of the LMIHF Loan (as defined in the Agreement); as a result, the Project Budget may change accordingly following such review. In addition, the Project Budget shall be subject to change from time-to-time, subject to the prior written approval of the City Administrator or designee (which approval shall not be unreasonably withheld), upon which approval the Project Budget shall be replaced by the approved revised Project Budget. Within the respective times provided therefor in the Schedule of Performance, the Developer shall obtain all approvals needed for the Construction Loan and demonstrate, to the satisfaction of the City Administrator, that all Owner Equity will be available for payment or refinancing of Total Development Costs when and as required by this Method of Financing.

6. **Evidence of Financing**. The sum of the Construction Loan plus the Owner's Equity plus the LMIHF Loan (and/or the AHP Grant/Loan and Gap Grant/Loan, as applicable) shall, at all times, be sufficient to pay the Total Development Costs as set forth in the most recently approved Project Budget. Prior to the Construction Financing Event, Developer shall submit for City review and approval evidence of such financing, including: (a) copies of all documents required by the Construction Lender to obtain construction financing; (b) the limited partnership agreement and other documentation evidencing the availability of the Limited Partner Capital Contribution, and such other documentation as may be appropriate to evidence other Owner Equity; and (c) to the extent applicable, the completed application to be submitted for the AHP Grant/Loan and/or Gap Grant/ Loan. The City shall not unreasonably withhold its approval. Final documents relating to any financing, Construction Loan, Permanent Loan, AHP Grant/Loan, Gap Grant/Loan, Senior Loan or otherwise shall be subject to review and approval by the City Administrator, and Developer's acceptance of any financing referenced in this sentence shall be conditioned upon the City Administrator's determination that such documents are consistent with the provisions of this Agreement, this Method of Financing and the HOME Loan Documents.

7. **HOME Loan**.

(a) In accordance with and subject to the terms and conditions of the Agreement and this Method of Financing, the City agrees to make the HOME Loan to Developer and Developer agrees to borrow such funds for the purpose of payment of Acquisition and Development Costs.

(b) The Developer hereby acknowledges that the LMIHF Loan is intended to be "gap" financing, not to exceed the amount needed to bridge the gap between the Total Development Costs and the total funds that are reasonably available, including but not limited to the maximum Senior Loans obtainable by Developer plus the maximum amount of Owner's Equity set forth above, but in any event not to exceed the dollar amount set forth above.

(c) The HOME Loan shall be used exclusively to pay the Property Acquisition Costs identified in the Project Budget.

(d) At the Construction Financing Event, Developer shall execute the LMIHF Note. The LMIHF Deed of Trust, the Agreement Containing Covenants and the Notice of Affordability Restrictions shall be recorded against Developer's fee interest in the Property.

(e) At the Construction Financing Event, the City and the Developer shall execute and deliver such instruments and documents as may be necessary to evidence and secure the HOME Loan, consistent with the terms of the Agreement and this Method of Financing, and each in a form that is acceptable to the City Administrator or designee, including the following HOME Documents, as applicable:

(1) the Agreement Containing Covenants;

(2) the HOME Note evidencing the HOME Loan;

(3) the HOME Deed of Trust securing the HOME Loan;

(4) the Assignment of Rents and Leases;

(5) the Assignment of Agreements;

(6) the Environmental Indemnity;

(7) the UCC-1 Financing Statement;

(8) the General Assignment and Bill of Sale; and

(9) the Grant Deed.

8. **Subordination**.

(a) Each of the HOME Loan Documents (with the exception of the Agreement Containing Covenants) shall be subordinate to: the lien created by the Construction Loan Deed of Trust and the Permanent Loan Deed of Trust, and any other of the Senior Loan Documents and all of the terms and conditions contained in the Senior Loan Documents. The Agreement Containing Covenants, HOME Regulatory Agreement, LMIHF Regulatory Agreement, and covenants in the Grant Deed, shall unconditionally be and remain at all times prior and superior to the lien created by the Senior Loan documents and all of the terms and conditions contained therein and to the lien of any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan.

(b) Prior to the Construction Financing Event, the City Administrator of the City or designee shall execute such subordination agreements as may be consistent with applicable laws and regulations governing subordination of the HOME Loan and LMIHF Loan and mutually acceptable to the City Administrator or designee, the Construction Lender and Developer to subordinate the HOME Loan (with the exception of the Agreement Containing Covenants and the HOME Regulatory Agreement), LMIHF Loan (with the exception of the LMIHF Regulatory Agreement) to the Construction Loan Deed of Trust and other Senior Loan Documents.

9. **Recordation**. Upon the Construction Financing Event, the Title Company shall record the HOME Loan documents in accordance with instructions provided by the City, and shall be prepared to issue to the City an ALTA policy of title insurance, insuring the priority of the HOME Deed of Trust as a second priority lien on the Property, in amounts and with endorsements as the City may determine is appropriate.

10. **Reimbursement of Development Costs by LMIHF Loan**. The sum of up to $8,284,419, consisting of the LMIHF Loan (as defined in the Agreement), shall be disbursed as reimbursements for partial payment of the Total Development Costs for Developer's actual costs expended as may be agreed upon by the parties and the Construction Lender; reimbursement of Developer's actual costs expended from proceeds of the LMIHF Loan shall be in *pari passu* with the disbursement of the Construction Loan unless otherwise agreed upon in the LMIHF Loan Agreement dated January 23, 2012 between City and Developer which contain the terms of the reimbursement and components qualifying for reimbursement during the construction and development.

11. **Repayment Terms**. The repayment terms of the HOME Loan shall be as set forth in the form of HOME Note attached to the Agreement as Attachment No. 7 (HOME Note).

12. **Conditions Precedent to Construction Financing Event**

The Construction Financing Event is conditioned upon each of the following occurring to the satisfaction of the City Administrator prior to the time for Construction Financing Event set forth in the Schedule of Performance:

(a) Developer submits evidence that the final working drawings have been approved by the City, and, to the extent required by the Agreement, the City Administrator or designee;

(b) Developer submits a copy of the general construction contract between the Developer and a licensed general contractor, covering all construction required by the Agreement and the approved final working drawings;

(c) Developer submits a final Project Budget, current as of the Construction Financing Event date, demonstrating to the satisfaction of the City Administrator or designee the availability of sufficient funds to pay all Development Costs;

(d) Developer submits evidence satisfactory to the City Administrator or designee that the Developer has financing commitments sufficient to pay all Development Costs in accordance with the Agreement, including the Construction Loan, Permanent Loan and Owner's Equity (including the Limited Partner Capital Contribution) in the respective amounts set forth in this Method of Financing;

(e) Developer submits copies of final Construction Loan Documents;

(f) Developer submits copies of Amended and Restated Limited Partnership Agreement (admitting Investor Limited Partner) or other final limited partnership agreement and related documents.

(g) Developer submits evidence of the insurance policies and endorsements required by the Agreement;

(h) Developer submits evidence satisfactory to the City Administrator or designee that Developer has satisfied all conditions precedent to the issuance of all Permits necessary for the construction of the Development, other than payment of fees (for which funds have been budgeted in the Project Budget) and conveyance of title;

(i) Developer submits an estimated draw schedule for the LMIHF Loan;

(j) Developer submits the Maintenance Program, including the Maintenance Budget, as required by the Agreement;

(k) Developer submits the Annual Project Budget for the first year of operation, as required by the Agreement;

(l) Developer submits the Management Plan, as required by the Agreement;

(m) Developer, Construction Lender and City agree on a disbursement of the LMIHF Loan and Construction Loan as shown in the LMIHF Loan Agreement dated January 23, 2012 between the City and the Developer;

(n) Developer, Construction Lender and City agree on a subordination agreement concerning subordination of the HOME Deed of Trust and LMIHF Deed of Trust;

(o) Title Insurance Company is prepared to issue the title insurance policies required by the Agreement;

(p) Developer duly executes and delivers to the City or into escrow all of the City Instruments to be executed by Developer;

(q) City Administrator determines that Developer is not in default of its obligations to the City under the Agreement.

(r) City Administrator has reviewed the TCAC application submitted by Developer and approved the Agreement, Method of Financing, Project Budget, Scope of Development, and all financial terms of the proposed transaction to assure the gap financing of the City, at the time of application to TCAC, conforms the City's commitments and availability of gap financing under the terms of this Agreement as initially proposed by the Developer.

(s) City Administrator has received, reviewed, and approved evidence that the Developer competitively bid the general contractor for the Project.

(t) City Administrator has reviewed the financial assumptions contained in this Agreement as initially presented against the application submitted under TCAC.

(u) Developer has confirmed to City Administrator that the Project, HOME layering analysis, and units reserved under the HOME Regulations remain unchanged from the terms of this Agreement as initially presented.

(v) Developer has complied with all requirements of the Acquisition Agreement, including Paragraph 3.

(x) Developer has complied with all requirements of the LMIHF Loan Agreement dated January 23, 2012 between City and Developer.

Notwithstanding the foregoing, the City, in the sole discretion of the City Administrator, may waive any of the foregoing conditions precedent to the Construction Financing Event. A waiver

of any of the foregoing conditions shall not operate in any way as a waiver, or estoppel with respect to, any subsequent or other failure to comply with such condition, or any other condition contained in this Section 12 or any of the other City Instruments.

13. **Continued Availability HOME Loan.**

The City and Developer acknowledge that other sources of funds may become available to the City after the Construction Financing Event, which may include funds provided to the City by the United States Department of Housing and Urban Development ("HUD") in accordance with the HOME Investment Partnerships Program ("HOME Program") as provided in 24 CFR Part 92, as amended from time to time ("HOME Regulations"). If HOME Program funds become available, then in the sole discretion of the City and in accordance with HOME Regulations, the City may elect to loan such funds to the Project. In that eventuality, the amount of the City loan of HOME Program funds (the "HOME Loan") would be determined by the City in its sole discretion, but would not in any event exceed an amount equal to the maximum amount of HOME Program funds permitted by HUD for the Project. If the City elects to provide a HOME Loan to the Project, the amount of the LMIHF Loan would be reduced commensurate with the amount of the HOME Loan. To the extent allowed by, and in accordance with, the HOME Regulations, the HOME Loan would be applied first to fund any undisbursed balance of the LMIHF Loan and second to pay accrued interest on and then reduce the principal amount of the LMIHF Loan.

If the City elects to provide a HOME Loan to the Project, it would be a residual receipts loan to be repaid through a pro rata application of the City's Share of Residual Receipts as such term is defined in the LMIHF Note. The HOME Loan would be secured by a deed of trust to be recorded on the Property ("HOME Deed of Trust"), which would be subordinate to the Construction Loan Deed of Trust and the Permanent Loan Deed of Trust.

Developer covenants and agrees that, if HOME Program funds become available and the City chooses in its sole discretion to make the HOME Loan pursuant to this Section, Developer will execute a Promissory Note evidencing the HOME Loan and a Deed of Trust with Assignment of Rents naming the City as the Beneficiary and securing the HOME Loan, all in a form to be provided by the City in conformance with this Section (collectively, the "HOME Loan Documents").

Each of the HOME Loan Documents would be subordinate to: the lien created by the Construction Loan Deed of Trust and the Permanent Loan Deed of Trust, and any other of the Senior Loan Documents and all of the terms and conditions contained in the Senior Loan Documents. If HOME Program funds become available and the City elects in its sole discretion to provide a HOME Loan to the Project, the City Administrator of the City or designee would consider the execution of such subordination agreement(s) that are consistent with applicable laws and regulations governing subordination of HOME Program loans and that are mutually acceptable to the City Administrator or designee, the Construction Lender, the Permanent Lender

and Developer, to subordinate the HOME Loan Documents (except for the Agreement containing Covenants and the HOME Regulatory Agreement) to the Construction Loan Deed of Trust, the Permanent Loan Deed of Trust and other Senior Loan Documents.

Developer further covenants and agrees that, if HOME Program funds become available and the City, in its sole discretion, makes the HOME Loan pursuant to this Section, Developer will execute an Agreement Containing HOME Program Requirements, which will set forth the occupancy and rent restrictions applicable to the HOME units. The Agreement Containing HOME Program Requirements would at all times be prior and senior to the liens and charges of the Senior Loan Documents.

If the City, in its sole discretion, makes the HOME Loan, this Method of Financing and the LMIHF Note would be amended as needed to conform to the terms of this Section 13. Developer and City agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Section 13. Notwithstanding the foregoing, Developer may elect to decline such future available HOME funds under Section 13 if the terms and conditions are unacceptable.

14. **Distribution of Additional Funds, Cost Savings, and Permanent Loan Refinancing Proceeds**

To induce City to make the HOME Loan, Developer covenants and agrees as follows:

(a) Distribution of Additional Funds

(i) Developer shall use its best efforts to obtain a Gap Grant/Loan in the principal amount of up to $2,000,000. If a Gap Grant/ Loan (in any amount) is obtained, such funds shall be applied as set forth in paragraphs 14.(a)(v) and 14.(a)(vi) below and Developer shall not use the Gap Grant/Loan to reduce the principal amount of the Permanent Loan or the Investor Limited Partner's capital contribution.

(ii) Developer shall use its best efforts to obtain an AHP Grant/Loan in the principal amount of $610,000. If an AHP Grant/Loan (in any amount) is obtained, such funds shall be applied as set forth in paragraph 14.(a)(v) and 14.(a)(vi) below and Developer shall not use the AHP Grant/Loan to reduce the principal amount of the Permanent Loan or the Investor Limited Partner's capital contribution.

(iii) If the Limited Partner Capital Contribution is greater than $14,205,741 because of an annual tax credit allocation on the Form(s) 8609 for the Project that is greater than the forecast amount and/or tax credit pricing that is greater than 60% and/or accelerated delivery of the tax credit, then such additional funds (the "Increased Capital Contribution") shall be applied as set forth in paragraph 14.(a)(v) and 14.(a)(vi) below and Developer shall not use the Increased Capital Contribution to reduce the principal amount of the Permanent Loan.

(iv) If the original principal amount of the Permanent Loan is greater than $2,775,000, then that additional principal amount (the "Excess Proceeds") shall be applied as set forth in paragraph 14.(a)(v) and 14.(a)(vi) below and Developer shall not use the Excess Proceeds to reduce the amount of the Limited Partner Capital Contribution.

(v) The sum total of the Gap Grant/Loan plus the AHP Grant/Loan plus the Increased Capital Contribution plus the Excess Proceeds (the "Gross Additional Funds") shall be adjusted as follows. The Gross Additional Funds shall be reduced by the sum of (i) the amount by which the Limited Partners Capital Contribution is less than $14,205,741 because of an annual tax credit allocation on the Form(s) 8609 for the Project that is lower than the forecast amount and/or tax credit pricing that is less than 60% and/or delayed delivery of the tax credit, plus (ii) the amount by which the original principal amount of the Permanent Loan is less than $2,775,000, plus (iii) Developer's cost of applying for the Gap Grant/Loan, not to exceed $40,000, plus (iv) Developer's cost of applying for the AHP Grant/Loan, not to exceed $25,000. The resulting amount shall be referred to as the "Net Additional Funds."

(vi) The Net Additional Funds shall be paid equally to the City and Developer from the principal amount of the Gap Grant/ Loan plus the principal amount of the AHP Grant/Loan plus any undisbursed amount of the Permanent Loan plus any undisbursed Limited Partner Capital Contribution, with each receiving 50% of such funds, provided, however, that the City shall not receive an amount greater than the HOME Loan. An initial determination of the amount of Net Additional Funds will be made at the Permanent Financing Event and that amount will be allocated equally between the City and the Developer. The City's share of those Net Additional Funds that are then available for disbursement will be deposited in an interest bearing escrow account (in an amount not to exceed one-half of the theretofore unpaid portion of the Limited Partner Capital Contribution) and the balance (subject to the HOME Loan amount cap of $2,800,000 on the total City share) will be paid to the City. As Net Additional Funds continue to become available for disbursement (for example, upon funding of the City of Industry Loan after the Permanent Financing Event), the City's share of those newly available Net Additional Funds shall be deposited in the aforementioned escrow account until the total amount deposited equals one-half of the theretofore unpaid portion of the Limited Partner Capital Contribution. If at any time the City's share of Net Additional Funds held in the escrow account exceeds one-half of the theretofore unpaid portion of the Limited Partner Capital Contribution (for example, upon payment of an installment of the Limited Partner Capital Contribution), such excess funds shall be released to the City. Upon the final payment of the Limited Partner Capital Contribution, if any reduction of the City's share of Net Additional Funds is required due to a further reduction in the amount of the Limited Partner Capital Contribution, an amount equal to that reduction in the City's share will be disbursed to the Developer from the escrow account and the balance will be released to the City. The City shall not, in any event, be obligated to escrow any funds in excess of the City's share of those Net Additional Funds that are then available for disbursement.

(b) <u>Distribution of Cost Savings</u>

If, on the date of the conversion of the Construction Loan to the Permanent Loan, the sum of all Project Funds disbursed (as "Project Funds" is defined in the Disbursement Agreement), plus any retention amounts then owing to contractors and others, plus any unpaid Total Development Costs set forth in the most recent approved Project Budget which the City and Construction Lender agree are to be disbursed subsequent to the Completion date (such as, by way of example only and without limiting the generality of the foregoing, costs associated with funding final Tax Credit Equity Investor capital contributions) is less than $14,205,741 (the amount of such savings being referred to herein as the "Cost Savings"), then to the extent of fifty percent (50%) of the Cost Savings, any undisbursed amount of the Permanent Loan plus any undisbursed amount of the City Loan plus any undisbursed capital contributions by Borrower's Limited Partner shall be released to the City. Notwithstanding the foregoing, if the amount of the Gross Additional Funds determined pursuant to paragraph 14.(a)(v) above equals zero, then the Cost Savings to be disbursed pursuant to this paragraph shall take into account any reductions in tax credit equity or other sources of permanent financing resulting from such Cost Savings.

(c) Proceeds of Permanent Loan Refinancing

If at any time Developer refinances the Permanent Loan, Developer shall apply the net proceeds of any such refinancing in excess of the amount needed to pay in full the then-current balance of the Permanent Loan and the theretofore unpaid balance of the Deferred Developer Fee and the Deferred Contractor Fee (or any loan or capital contribution made by a partner of Developer to pay such fees), to pay Operating Expenses (as defined in the HOME Note) accrued to date, with the balance referred to herein as the "Net Refinancing Proceeds". Fifty percent (50%) of the Net Refinancing Proceeds shall then be paid to the City. Notwithstanding the foregoing, City permits Developer to distribute the entire City's share of the Net Refinance Proceeds in the previous sentence exclusively to rehabilitate and retrofit the improvements on the Property; in the event the costs to rehabilitate and retrofit the improvements on the Property are below the entire City-share of the Net Refinance Proceeds, the balance shall be remitted to the City without any further offset or deduction. In the event the costs to rehabilitate and retrofit the improvements on the Property exceed the entire City-share of the Net Refinance Proceeds, then the City will forego receipt of their entire share of the Net Refinance Proceeds.

(d) Developer's Use of Its Share of Funds

Developer shall use its share of the Net Additional Funds, Cost Savings and Solar Credit Funds first to pay the theretofore unpaid portion of the Deferred Contractor Fee and then to pay the theretofore unpaid portion of the Deferred Developer Fee. Notwithstanding anything to the contrary in this Method of Financing or any of the HOME Loan Documents, the amount of the Deferred Developer Fee to be paid from the Project's Residual Receipts shall not be less than $400,000. Any remaining balance of the Developer's share of the Net Additional Funds, Cost Savings and Solar Credit Funds after taking into account the requirements imposed by the preceding sentence shall be used to pay down the LMIHF Loan.

(e) City's Use of Its Share of Funds

The City may use its share of the Net Additional Funds, Cost Savings and/or Net Refinancing Proceeds for any purpose relating to the Project in its sole discretion, including but not limited to, paying down the HOME Loan or subsidizing units in the Project to more restrictive levels of affordability or for any other lawful purpose with respect to the Project.

15. **Tax Credit Assistance Program (TCAP) Funding**

The Developer agrees to make good faith efforts to apply to the California Tax Credit Allocation Committee and obtain an award of funds under the Tax Credit Assistance Program established pursuant to the American Recovery and Reinvestment Act of 2009 ("TCAP Funds"), provided that there is a reasonable likelihood of obtaining such an award. However, Developer shall have no obligation to obtain an award of TCAP Funds if such award would increase the Project's Development Costs but the amount of the award is insufficient to cover such increased costs. If the Developer is successful in obtaining an award of TCAP Funds, then the City and the Developer agree to negotiate in good faith to reach agreement on the use of such funds, which may include but is not necessarily limited to repaying the HOME Loan or to paying the unpaid portion of the Deferred Contractor Fee and the unpaid portion of the Deferred Developer Fee (subject to the $400,000 minimum Deferred Developer Fee referenced in paragraph 14.(e) above).

ATTACHMENT NO. 4
to Disposition and Affordable Housing Development Agreement

SCOPE OF DEVELOPMENT

Developer Responsibilities

1. General

The Developer shall construct, or cause to be constructed on the Property, a affordable housing project consisting of: 62 residential affordable rental units. The Property is approximately 49,600 square feet of commercial space and is improved with a vacant two-story building which was formerly occupied by the Southern California Gas Company and subsequently a Charter School. The Project includes the construction of 62 units. The proposed unit mix is as follows:

Number of Units	Unit	Size (Sf)
Two-Bedroom Units	36	950
Three-Bedroom Units	26	1,100

2. Affordable Residential Units

The affordable rental units shall be designated for all units in the Development. The Developer shall enter into an agreement with the City to monitor the long term affordable restrictions for the all units qualifying as affordable units prior to the issuance of building permits for the Project.

The affordable apartment units in the project shall be restricted to residents qualifying under the low HOME (30% Median), low HOME (40% Median), low HOME (45% Median), and high HOME (60% Median) as determined and implemented through the Disposition and Affordable Housing Development Agreement between the City and the Developer ("Agreement"), and by covenants to be recorded by the City consistent with the HOME Regulations as set forth in the Agreement, and consistent with the most restrictive income categories of occupant households required by the project's financing. The allocation of affordable units and their rents shall be consistent with the proportions of unit mixes reflected in the chart below. Notwithstanding anything to the contrary in the Agreement, the Developer shall not bar a prospective resident from selection for occupancy of an apartment unit based solely on the zip code or neighborhood in which such prospective resident resides. The Developer shall market the availability of apartment units and select residents for occupancy in affordable units in accordance with all applicable local, State and Federal laws and regulations.

Sixty-one (61) apartment units will be subject to the following income and affordability restrictions for HOME purposes, with at least 16 units also restricted as HOME units:

a. Low HOME 30% Median Income Units	7	(all HOME/HUD Low)
b. Low HOME 40% Median Income Units	7	(all HOME/HUD Low)
c. Low HOME 45% Median Income Units	39	(2 HOME/HUD Low) (37 State HCD or TCAC Moderate)
d. High HOME 60% Median Income Units	8	(all State HCD or TCAC Moderate)
Total Units:	61	

3. Residential Amenities and Facilities

The development includes the following residential amenities and facilities to be illustrated on the approved Basic Concept/Schematic Drawings, which shall be required to be maintained by the project in perpetuity:

a. Common Outdoor Open Space – Common outdoor spaces shall include a minimum of ratio of the open space to the indoor space or such square footage to be agreed upon with the City Administrator or designee for use by the residents of the development.

b. Common Indoor Space – Common indoor space a minimum shall include a ratio of the open space to the indoor space or such square footage to be agreed upon with the City Administrator or designee as a minimum common indoor area, such as a community room, shall be provided for the residential tenants of the project. This space should be located adjacent to the outdoor open space. This space shall be maintained for use by residents of the development and may contain active or passive recreational facilities, meeting space, computer terminals, or other activity space and must be accessible through a common corridor.

c. Private Open Space – Contingent on the proposed Basic Concept/Schematic Drawings and approved version by the City, a portion of the residential units shall be provided with a private open space area (balcony, deck, or roof terrace) or such other amenity in lieu thereof, as may be agreed upon with the City Administrator or designee.

d. Pet Open Space – Contingent on the proposed Basic Concept/Schematic Drawings and approved version by the City, a portion of the residential units may, in the discretion of the City, be provided with a minimum area for use by pets and clearly marked for such exclusive use. The pet open space must contain permeable surfaces, a hose bib for washing down the area, and be drained into the public sewer system. The development shall be responsible for daily cleaning and regular maintenance of this area. The area must be available to all residential tenants of the project, although multiple, separate areas may be provided for the rental and for-sale components of the development.

4. Private Parking

The development shall include a minimum of 135 parking spaces which shall be designed to City Standards for size. The following minimum number of spaces shall be permanently available for use by specific uses within the project:

The Project will be served by a total of 135 parking spaces, which equates to a ratio of 2.2 spaces per unit. The parking spaces consist of the following:

a. Seventy-one (71) subterranean parking spaces; and
b. Sixty-four (64) at-grade podium parking spaces.

Any subterranean parking facilities encroaching into the public right-of-way shall be located a an agreed upon minimum set back from the face of curb to such depth approved by the City below sidewalk grade, measured to the outside of any shoring. An Encroachment and Maintenance Agreement shall be obtained from the City to allow any encroachment of the garage into the public right-of-way.

5. Tentative Map/Development Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon any portion of the Property, the Developer shall, at its own expense, secure or cause to be secured, as applicable, any and all permits or approvals, including a Inglewood Planned Development Permit for the Project, which may be required by the City or any other governmental agency affected by such construction, development or work.

6. Development Impact Fees

The project will be subject to City of Inglewood Development Impact Fees. For projects containing commercial space(s), the Developer shall provide to the City's Facilities Financing Department the following information at the time of application for building permit plan check: 1) total square footage for commercial lease spaces and all areas within the building dedicated to support those commercial spaces including, but not limited to: loading areas, service areas and corridors, utility rooms, and commercial parking areas; and 2) applicable floor plans showing those areas outlined for verification. In addition, it shall be responsibility of the Developer to provide all necessary documentation for receiving any "credit" for existing buildings to be removed or buildings on the site that may have previously been removed.

7. Design Development and 100% Construction Drawings

The Developer shall submit for approval to the City Complete Construction Drawings and Specifications, 75% Complete Construction Drawings and Specifications, and 100 % Construction Drawings and Specifications, which implement the design intent of the Basic Concept/Schematic Drawings and any requirements listed below. A final materials/color board

shall be submitted for the City Economic Development Department and City Administrator staff approval.

8. Urban Design Standards

The proposed development, including its architectural design concepts, landscape features, and off-site improvements, shall be consistent with the City of Inglewood standards and manuals in effect as of the date of the AHA, subject to any modifications thereto approved by the City. These standards, together with the following specific conditions, will be used as a basis for evaluating the development through all stages of the design review process.

a. Architectural Standards - The architecture of the development shall establish a high quality of design and complement the design and character of the new developments in the City, downtown and the site's location. The project shall utilize a coordinated color scheme consistent with the approved Basic Concept/Schematic Drawings.

b. Form and Scale - The improvements shall not exceed the height of structures in the City of Inglewood from mean sea level (MSL) measured to the top of the uppermost structure or architectural element. All building elements shall be complementary in form, scale, and architectural style.

c. Building Materials - All building materials shall be of a high quality as shown in the approved Basic Concept/Schematic Drawings and approved materials board. All materials and installation shall exhibit high-quality design, detailing, and construction execution to create a durable and high quality finish. The base of the buildings shall be clad in upgraded materials and carry down to within a minimum agreed upon distance to finish sidewalk grade, as illustrated in the approved Basic Concept/Schematic Drawings. The concrete finish on the podium shall consist of an upgraded architectural finish quality. The finish quality shall be subject to approval by the City, and if not of sufficient quality, the surface must be painted. Any surface materials shall employ larger modules and full-corner profiles to create a substantial and non-veneer appearance. All down-spouts, exhaust caps, and other additive elements shall be superior grade for urban locations, carefully composed to reinforce the architectural design. Reflectivity of the glass shall be the minimum reflectivity required by Title 24.

All construction details shall be highest standard and executed to minimize weathering, eliminate staining, and not cause deterioration of materials on adjacent properties or the public right-of-way. No substitutions of materials or colors shall be permitted without the prior written consent of the City. A final materials board which illustrates the location, color, quality and texture of proposed exterior materials shall be submitted with 100% Construction Drawings and shall be consistent with the materials board approved with the Basic Concept/ Schematic Drawings.

d. Street Level Design - Street level storefront windows shall be clear glass and may be lightly tinted. Architectural features such as awnings and other design features which add human scale to the streetscape are encouraged where they are consistent with the

design theme of the structure. Exit corridors shall provide a finished appearance to the street with street level exterior finishes wrapping into the openings a minimum of ten feet, or if the recess is less than ten feet, the full dimension of such recess.

All exhaust caps, lighting, sprinkler heads, and other elements on the undersides of all balconies and projection surfaces shall be logically composed and placed to minimize their visibility, while meeting code requirements. All soffit materials shall be high quality and consistent with adjacent elevation materials (no stucco or other inconsistent material), and incorporate drip edges and other details to minimize staining and ensure long-term durability.

Mechanical intake and exhaust louvers must be designed to integrate within the overall architectural composition, and painted and textured to match the adjacent surface.

e. Utilitarian areas - Areas housing trash, storage, or other utility services shall be completely concealed from view of the public right-of-way and adjoining developments, except for utilities required to be exposed by the City or utility company. The project shall provide trash and recyclable material storage areas per applicable Municipal Codes. Such areas shall be provided within an enclosed building/garage area and shall be kept clean and orderly at all times. The project shall implement a recycling program to provide for the separation of recyclable materials from the non-recyclable trash materials.

f. Mail/Delivery Locations - It is the Developer's responsibility to coordinate mail service and mailbox locations with the United States Postal Service and to minimize curb spaces devoted to postal/loading use. The Developer shall locate all mailboxes and parcel lockers outside of the public right-of-way, either within the building or recessed into a building wall. A single, centralized interior mail area in a common lobby area is encouraged for all residential units within a project, including associated townhouses with individual street entrances. Individual commercial spaces shall utilize a centralized delivery station within the building or recessed into a building wall, which may be shared with residential uses sharing a common street frontage address.

g. Access – Private vehicular access to the site shall be limited to Nutwood and public vehicular access limited to Kelso; the curb cuts may not exceed thirty (30) feet in width, except as may be allowed through the approval of the Planned Development Permit. The loading bay shall be accessed from the adjacent alley; the curb cut may not exceed twenty four (24) feet.

h. Circulation and Parking - Subterranean parking shall meet the requirements of the Building Inspection Department, Fire Department, and City Engineer. All parking shall be mechanically ventilated. The exhaust system for mechanically ventilated structures shall be located to mitigate noise and exhaust impacts on the residential units, adjoining properties, and public right-of-way.

The Developer shall prepare a plan which identifies the location of curbside parking control zones, parking meters, fire hydrants, trees, and street lights. Such plan shall be submitted in conjunction with 100% Construction Drawings.

i. Open Space/Project Amenities - A landscape plan that illustrates the relationship of the proposed on- and off-site improvements and the location of seating, water, and electrical hookups shall be submitted with 100% Construction Drawings.

j. Roof Tops - A rooftop equipment and appurtenance location and screening plan shall be prepared and submitted with 100% Construction Drawings. Any roof-top mechanical equipment must be grouped, enclosed, and screened from all views. All window washing davits must be designed to be stored in a reclined position, out of sight from off-site views.

k. Eco-Roof – Drawings, relevant details and specifications shall be submitted with the 100% Construction Drawings to include: 1) dimensioned plans included and coordinated with the Building Permit drawings that demonstrate square foot allocations for both planted and non planted areas, and include the gross (total gross area of all roofs over 30 feet in height) and net (after deducting for areas covered by stairway and elevator enclosures and areas devoted to required common or private outdoor open space areas) roof areas; 2) construction details necessary to build the Eco-Roof, with typical sections that include attachments, water proofing, landscape and ground surfaces, both planted and non-planted areas; and, 3) specifications relevant to landscape and irrigation proprietary systems.

l. Building Separation – Any barriers proposed by the Developer to provide separation between the project and the adjacent historical building shall be submitted to Inglewood Redevelopment Agency and the City for review and approval.

m. Signing - All signs shall comply with the City of Inglewood Sign Regulations.

n. Lighting - A lighting plan which highlights the architectural qualities of the proposed project and also enhances the lighting of the public right-of-way shall be submitted with 100% Construction Drawings. All lighting shall be designed to avoid illumination of adjoining properties.

o. Noise Control - All mechanical equipment, including but not limited to, air conditioning, heating and exhaust systems, shall comply with the City of Inglewood Noise Ordinance and California Noise Insulation Standards as set forth in Title 24 of the California Code of Regulations. All mechanical equipment shall be located to mitigate noise and exhaust impacts on adjoining development, particularly residential. Developer shall provide evidence of compliance at 100% Construction Drawings.

p. Energy Considerations - The design of the improvements shall include, where feasible, energy conservation construction techniques and design, including cogeneration facilities, and active and passive solar energy design. The Developer shall demonstrate

consideration of such energy features during the review of the 100% Construction Drawings.

q. Street Address - Building address numbers shall be provided that are visible and legible from the public right-of-way.

9 On-Site Improvements

All off-site and on-site improvements shall be designed as part of an integral site development. An on-site improvement plan shall be submitted with the 100% Construction Drawings. The on-site landscaping shall establish a high quality of design and be sensitive to landscape materials and design planned for the adjoining public rights-of-way.

10. Off-Site Improvements

The following public improvements shall be installed in accordance with the City of Inglewood Standards and Policies, subject to any modifications thereto as approved by the City. The Manual is currently being updated and the Developer shall install the appropriate improvements according to the latest requirements at the time of Building Permit issuance:

	Nutwood	Kelso	Grevillea/Park	Alley
Paving	Paving or as agreed upon	Paving or as agreed upon	Paving or as agreed upon	Paving or as agreed upon
Street Trees	Brisbane Box And/or Palo Alto Sweet Gum or as agreed upon	Chinese Evergreen Elm or as agreed upon	Chinese Evergreen Elm or as agreed upon	As agreed upon
Street Lights	Gateway, Standard or as agreed upon	Gateway, Standard or as agreed upon	Gateway, Standard or as agreed upon	Gateway, Standard or as agreed upon

All trees shall be planted at a minimum 36 -inch box size with tree grates in conformance with City standards or such agreement under the approved drawings and plans, and shall meet the requirements of Title 24. Tree spacing shall be accommodated after street lights have been sited, and generally spaced 20 to 25 feet on center. All landscaping shall be irrigated with private water service from the subject property.

The Developer will be responsible for evaluating, with consultation with the City, whether any existing trees within the right-of-way shall be maintained and preserved. No trees shall be removed prior to obtaining a Tree Removal Permit from the City Streets Division.

a. Street Lights - All existing lights shall be evaluated to determine if they meet current City requirements, and shall be modified or replaced if necessary.

b. Sidewalk Paving - Any specialized paving materials shall be approved through the execution of an Encroachment Removal and Maintenance Agreement with the City.

c. On-Street Parking - The Developer shall maximize the on-street parking wherever feasible.

d. Litter Containers – The appropriate number of Standard trash receptacles shall be provided around the Property.

e. Public Utilities (sewer, water and storm drain) - The Developer shall be responsible for the connection of on-site sewer, water and storm drain systems from the development to the City Utilities located in the public right-of-way. Sewer, water, and roof drain laterals shall be connected to the appropriate utility mains within the street and beneath the sidewalk. The Developer may use existing laterals if acceptable to the City, and if not, Developer shall cut and plug existing laterals at such places and in the manner required by the City, and install new laterals. Private sewer laterals require an Encroachment Maintenance and Removal Agreement.

Proposed private underground sewer facilities located within a single lot shall be designed to meet the requirements of the California Uniform Plumbing Code and shall be reviewed as part of the Building Permit plan check. Prior to the submittal of any public improvement drawings, the Developer shall provide evidence satisfactory to the Metropolitan Wastewater Department Director that each condominium will have its own sewer lateral or provide CC&Rs for the operation and maintenance of on-site private sewer facilities that serve more than one ownership. The Developer shall install all sewer facilities necessary to serve this development, satisfactory to the Metropolitan Wastewater Department Director. All public sewer facilities shall be designed to the most current edition of the City of Inglewood Sewer Design Guide.

Public water facilities are located within the rights-of-way adjacent to the project site. The Developer will be required to 'kill' all unused water services adjacent to the project site and install new services where appropriate. Service kills require an engineering permit and must be shown on a public improvement plan. If and when the Developer submits for a tentative map or tentative map waiver, the Water Department will require evidence of CC&Rs to be recorded against the project which address the operation and maintenance of the private on-site water system serving the project. No structures or landscaping of any kind shall be installed within 10 feet of water facilities, subject to verification with the appropriate City department at the time of pulling the permit(s).

All roof drainage and sump drainage, if any, shall be connected to the storm drain system in the public street, or if no system exists, to the street gutters through sidewalk underdrains. Such underdrains shall be approved through an Encroachment Removal Agreement with the City. The project shall comply with the City of Inglewood Storm Water Management and Discharge Control Ordinance and the storm water pollution prevention requirements of the City.

f. Franchise Public Utilities - The Developer shall be responsible for the installation or relocation of franchise utility connections including, but not limited to, gas, electric, telephone and cable, to the project and all extensions of those utilities in public streets. Existing franchised utilities located above grade serving the property and in the sidewalk right-of-way shall be removed and incorporated into the adjoining development where feasible.

Electrical transformer vaults shall be installed in a subterranean location accessible to the franchise utility form the public right-of-way where feasible. Covers to utility vaults located in the public right-of-way shall be designed as a pan which allows the lid to be in filled with the same paving materials used in the adjoining right-of-way where feasible.

g. Fire Hydrants - If required, the Developer shall install fire hydrants at locations satisfactory to the Fire Department.

h. Backflow preventers - The Developer shall locate all water meters and backflow preventers in locations satisfactory to the Water Utilities Department and City. Backflow preventers shall be located outside of the public right-of-way adjacent to the project's water meters, either within the building, a recessed alcove area, or within a plaza or landscaping area. The devices shall be screened from view from the public right-of-way. All items of improvement shall be performed in accordance with the technical specifications, standards, and practices of the City of Inglewood's Engineering and Building Inspection Departments and shall be subject to their review and approval. Improvements shall meet the requirements of Title 24 of the State Building Code.

11. Environmental Impact Mitigation and Archaeological/Paleontological Protection

If and as applicable, the Developer shall be responsible for full compliance with any Mitigation Monitoring and Reporting Program (MMRP) as may be outlined in an Environmental Secondary Study prepared for the project. If applicable, qualified archaeological and paleontological monitors shall be retained to carefully monitor the excavation and grading activities while the project is underway in accordance with such MMRP.

12. Model

Prior to obtaining a Building Permit, the Developer shall provide a one-inch (1") to fifty-foot (50') scale block building model which illustrates the true scale of the buildings on the site based on the building facade and the floor plate of the structure from the ground floor to and including the rooftop. No base is required. Landscaping at the ground level shall also be shown. Architectural detail such as windows, door, and balconies shall not be shown. Other building elements and articulation less than three feet in scaled dimension need not be shown.

The model shall be made of solid acrylic plastic (e.g., Lucite, Plexiglas), be colored solid white and be compatible with the scale and contours of the model of downtown on display at the City.

Upon acceptance by City, the model shall be installed by the Developer or his designated representative on the model of downtown and the model shall become the property of the City for its use.

13. Construction Fence

Developer shall install a construction fence pursuant to specifications of, and a permit from, the City Engineer. The fence shall be solid plywood with wood framing, painted a consistent color with the project's design, and shall contain a pedestrian passageway, signs, and lighting as required by the City Engineer. The fencing shall be maintained in good condition and free of graffiti at all times.

14. Development Identification Signs

Prior to commencement of construction on the Property, the Developer shall prepare and install, at its cost and expense, two signs on the barricades around the Property which identifies the development. Each sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrian and vehicular traffic. The signs shall at a minimum include:

--- Color rendering of the development
--- Development name
--- Developer
--- The phrase:

A project of the
CITY OF INGLEWOOD ECONOMIC DEVELOPMENT DEPARTMENT
Mayor James T. Butts, Jr.
Council Members: Mike Stevens
Judy Dunlap
Eloy Morales, Jr.
Ralph L. Franklin

--- Completion Date_____ _____.
--- For information call_____.

The sign shall also contain the CITY OF INGLEWOOD logo and the appropriate City Construction Hotline phone number. Additional project signs may be provided around the perimeter of the site. All signs shall be limited to a maximum of 160 square feet per street frontage. Graphics may also be painted on any barricades surrounding the site. Developer shall be responsible for ensuring that the sign contains the current City Council members. All signs and graphics shall be submitted to City for approval prior to installation.

15. Construction and operation of the approved use shall comply at all times with the regulations of this or any other governmental agencies.

16. This project shall comply with the standards, policies, and requirements in effect at the time of the City's approval of this project, including any successor or new policies, financing mechanisms, phasing schedules, plans and ordinances adopted by the City of Inglewood.

ATTACHMENT NO. 5
to Disposition and Affordable Housing Development Agreement

SCHEDULE OF PERFORMANCE

1.	Execution of Disposition and Affordable Housing Development Agreement by the City. The City shall hold a public hearing on the Disposition and Affordable Housing Development Agreement, and authorize the Mayor to execute and City Administrator to deliver and implement non substantive changes incident thereto.	As soon as feasible after submission of executed Agreement by Developer, estimated to be January 30, 2012
2.	Submission - Basic Concept/Schematic Drawings. The Developer shall submit to the City for approval the Basic Concept/Schematic Drawings and related documents.	March 1, 2012.
3.	Approval - Basic Concept/Schematic Drawings. The City shall approve or disapprove the Basic Concept/Schematic Drawings and related documents (site plans, elevations and preliminary floor plans).	April 15, 2012.
4.	Approval - Management Agreement. Developer shall submit to the City for approval the Management Agreement.	Prior to the Construction Financing Event.
5.	Submittal – Tax Credit Allocation Committee Application to City and City Administrator's Determination of Revision(s) to Agreement and potential necessity to return to City Council for re-approval. Developer shall communicate and regularly update City Administrator of the TCAC application and promptly advice City Administrator of readiness for application review and determination whether any changes must be made to this Agreement and the financial feasibility of the Project given the economic uncertainties of the Tax Credit program.	Prior to the Construction Financing Event with approval contingent on contents of TCAC application and meeting schedule of City Council.

6.	Approval- Annual Project Budget. Developer shall submit to the City for approval the Annual Project Budget for the first year of operation.	Within ten (10) days prior to the scheduled date for the Construction Financing Event.
7.	Evidence of Financing. The Developer shall submit to the City substantially final Construction Loan documents and documentation of Owner's Equity, as provided in the Method of Financing.	Within ten (10) days prior to the scheduled date for the Construction Financing Event.
8.	Approval of Financing. The City shall approve or disapprove the evidence of financing.	Within ten (10) days after receipt of each such submission of evidence of financing to the City (estimated to be June 2012 or latest March 2013).
9.	Construction Financing Event. All conditions precedent to the Construction Financing Event shall have been satisfied.	As soon as possible following City approval of this Agreement, which is estimated to occur August 1, 2012 or as late as April 1, 2013.
10.	Submission - Final Construction Drawings and Specifications. The Developer shall prepare and submit to the City for approval the Final Construction Drawings and Specifications.	Not later than execution of the Construction Loan documents by the Developer.
11.	Approval - Final Construction Drawings and Specifications. The City shall approve or disapprove the Final Construction Drawings and Specifications.	Not later than the scheduled date for the Construction Financing Event.
12.	Commencement of Construction. The Developer shall commence construction of the improvements on the Site.	Within sixty (60) days after the Construction Financing Event.

13.	Completion of Construction. The Developer shall complete construction of the improvements on the Property.	Not later than December 31 2013 or such later date as may be approved by the California Tax Credit Allocation Committee.
14.	Submission - Tenant Lease. The Developer shall prepare and submit to the City for approval the tenant lease as provided in the Agreement Containing Covenants.	Within (9) months prior to occupancy, but no later than January 2014.
15.	Submission-Tenant Selection and Eligibility Plan. The Developer shall prepare and submit for approval the tenant selection and eligibility plan as provided in the Agreement Containing Covenants.	Within (9) months prior to occupancy, but no later than March 2013.

ATTACHMENT NO. 6
to Disposition and Affordable Housing Development Agreement

PROJECT BUDGET
(SUBJECT TO REVIEW BY CITY ADMINISTRATOR PRIOR TO DEVELOPER SUBMITTING A TAX CREDIT APPLICATION TO THE TAX CREDIT ALLOCATION COMMITTEE)

TABLE 1

ESTIMATED DEVELOPMENT COSTS
9% TAX CREDIT SCENARIO
7 VERY-LOW INCOME UNITS; 46 LOW INCOME UNITS; & 8 MODERATE INCOME UNITS
GREVILLEA FAMILY APARTMENTS
INGLEWOOD, CALIFORNIA

I.	Property Assemblage Costs						
	Property Acquisition Costs	49,614	Sf Land	$56	/Sf Land	$2,800,000	
	Demolition Costs [1]					510,000	
	Closing Costs [1]	2%	Purchase Price			43,000	
	Total Property Assemblage Costs						**$3,353,000**
II.	Direct Costs [2]						
	Off-Site Improvements [1]					$150,000	
	On-Site Improvements [1]	49,614	Sf Land	$5	/Sf Land	248,000	
	Parking Costs						
	Subterranean Spaces	71	Spaces	$29,200	/Space	2,073,000	
	At-grade Podium Spaces	64	Spaces	$23,760	/Space	1,521,000	
	Residential Shell Costs	87,008	Sf GBA	$129	/Sf GBA	11,188,000	
	Furnishings, Fixtures and Equipment [1]					99,000	
	Contractor Fees / General Requirements	14%	Construction Costs			2,104,000	
	Construction Bonds	2%	Construction Costs			304,000	
	Contingency Allowance	5%	Other Direct Costs			884,000	
	Total Direct Costs	**87,008**	**Sf GBA**	**$213**	**/Sf GBA**		**$18,571,000**
III.	Indirect Costs						
	Architecture, Engineering & Consulting	10%	Direct Costs			$1,764,000	
	Permits & Fees [3]	62	Units	$12,949	/Unit	803,000	
	Taxes, Legal & Accounting	2.0%	Direct Costs			371,000	
	Insurance [1]	62	Units	$2,501	/Unit	155,000	
	Marketing & Leasing [1]	62	Units	$900	/Unit	56,000	
	Developer Fee [4]	6%	of Eligible Basis			1,408,000	
	Contingency Allowance	5%	Other Indirects			228,000	
	Total Indirect Costs						**$4,785,000**
IV.	Financing Costs						
	Interest During Construction [5]	$14,942,000	Loan Amount	4.45%	Interest	$931,000	
	Financing Fees						
	Predevelopment Loan [1]					94,000	
	Construction Loan [1]	$14,942,000	Loan Amount	0.50	Points	75,000	
	Permanent Loan [1]	$2,776,000	Loan Amount	0.50	Points	14,000	
	Operating Reserve	6	Months Operating Exp and Debt Service Payments			251,000	
	TCAC Fees [6]					83,000	
	Total Financing Costs						**$1,448,000**
V.	**Total Development Costs**	**87,008**	**Sf GBA**	**$324**	**/Sf GBA**		**$28,157,000**

[1] Based on Developer's estimate.
[2] Estimates assume prevailing wage requirements will be imposed on the Project
[3] Based on Developer's estimate. The estimate should be verified by the City staff.
[4] Based on Developer's estimate. This estimate is below the maximum amount allowed by TCAC.
[5] Based on an 18-month construction period with a 60% average outstanding balance; and a 6-month absorption period with a 100% average outstanding balance.
[6] Includes $2,000 application fee. $410/unit monitoring fee; and 4% of the gross Tax Credit proceeds for one year

Prepared by: Keyser Marston Associates, Inc.
Filename: Abode_1_26_12; Pro Forma - 9%; trb

ATTACHMENT NO. 7
to Disposition and Affordable Housing Development Agreement

HOME NOTE

RESIDUAL RECEIPTS PROMISSORY NOTE
SECURED BY DEED OF TRUST
TO THE CITY OF INGLEWOOD (HOME FUNDS)

1.79% Interest (Compound)
$2,800,000

Inglewood, California
January 23, 2012

FOR VALUE RECEIVED, FOR VALUE RECEIVED, Grevillea Housing, L.P., a California limited partnership ("**Participant**"), hereby promises to pay to the CITY OF INGLEWOOD, a charter city ("**City**") or order, a principal amount of Two Million Eight Hundred Thousand Dollars ($2,800,000), or so much thereof as may be advanced by the City to the Participant as the HOME Loan pursuant to the Disposition and Affordable Housing Development Agreement dated as of January 23, 2012 by and between the Participant and the City, incorporated herein by this reference (the "**HOME Agreement**"), and related documents by and between the Participant and the City, and incorporated herein by this reference (collectively the "**HOME Documents**"). The HOME Agreement and the HOME Documents are public records on file in the offices of the City, respectively. The Participant shall pay interest at the rate, in the amount and at the time hereinafter provided.

1. Definitions. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the HOME Agreement or HOME Documents, as applicable. In addition, the following terms shall have the following meanings:

The term "**Net Proceeds**" shall mean the proceeds of a sale, transfer or refinancing after repayment of existing indebtedness, less the reasonable and customary costs of the transaction.

The term "**Residential Residual Receipts**" shall mean, in each calendar year, the amount by which Gross Residential Revenue (as defined below) exceeds Annual Residential Operating Expenses (as defined below), as determined by a certified statement to be completed not later than one hundred twenty (120) days after the end of each calendar year by Participant using generally accepted accounting principles and based on the accrual method (the "**Audit**").

The term "**Gross Residential Revenue**," with respect to each calendar year, shall mean all revenue, income, receipts, and other consideration actually received from operation or leasing of the residential component of the Project. "Gross Residential Revenue" shall include, but not be limited to: all rents, fees and charges paid by tenants, Section 8 payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance to the extent not utilized to repair or rebuild

the Project or to repay debt on loans relating to the Project and previously approved by the City; and condemnation awards for a taking of part or all of the Project for a temporary period, not used to repay debt on loans relating to the Project and previously approved by the City. "Gross Revenue" shall also include the fair market value of any goods or services provided in consideration for the leasing or other use of any residential portion of the Project, except that the value of services provided by on-site manager(s) shall not be treated as "Gross Revenue" if no more than two dwelling units are leased to or otherwise used by on-site manager(s). "Gross Revenue" shall not include residential tenants' security deposits, required reserves or deposits, proceeds from the Construction Loan, HOME Loan, City Loan, or other financing provided to the Participant, including capital contributions or similar advances, or interest that is earned on and allocated to reserve accounts.

The term "**Annual Residential Operating Expenses**," with respect to each calendar year shall mean the following costs reasonably and actually incurred for operation and maintenance of the residential component of the Project, to the extent that they are consistent with Participant's annual certified statement of revenues and expenses prepared using generally accepted accounting principles: property and other taxes and assessments imposed on the residential component of the Project; premiums for property damage and liability insurance; utility services not paid for directly or reimbursed by tenants, including but not limited to water, sewer, trash collection, gas and electricity; maintenance and repair including but not limited to pest control, landscaping and grounds maintenance, painting and decorating, installation of appliances, cleaning, common systems repairs, general repairs, janitorial, supplies, and similar customary utility services; maintenance and repair of solar panels and photovoltaic systems; any license or certificate of occupancy fees required for operation of the residential component of the Project; general administrative expenses including but not limited to advertising and marketing, security services and systems, professional fees for legal, audit, accounting and tax returns of the limited partnership, and similar customary and reasonable administrative expenses; property management fees, not to exceed five percent (5%) of Gross Revenue and pursuant to a management contract approved by the City; partnership management fees payable to Participant's Administrative General Partner in an amount not to exceed Fifteen Thousand Dollars ($15,000) in the first year and, to the extent permitted by the Limited Partnership Agreement, increased thereafter at an annual rate not to exceed three percent (3%) over the 55 year term; an asset management fee payable to Participant's Investor Limited Partner in a non-cumulative amount not to exceed Seven Thousand Five Hundred Dollars ($7,500) in the first year and, increased thereafter at an annual rate not to exceed three percent (3%) over the 15 year compliance period; cash deposited into a replacement reserve in the amount of $250.00 per unit per year, which shall remain constant over the 55-year term of the Project; cash deposited into an operating reserve in such reasonable amounts as are required by Senior Lender, the California Tax Credit Allocation Committee, and the Investor Limited Partner from time to time; Deferred Developer Fee; necessary capital expenditures for upkeep and repair, and any expenditures required based upon a physical needs assessment by the Senior Lender or Investor Limited Partner (not paid from reserves); fixed debt service payments (excluding debt service contingent upon the availability of residual receipts or surplus cash of the Project) on loans associated with the Project, all as approved in advance and writing by the City; and monitoring fees to the City in the amount of $7,500 in the first year with annual increases of 2%. "Annual Residential Operating Expenses" shall not include the following: book depreciation, amortization, depletion

or other non-cash expenses or any amount expended from a reserve account. Annual Residential Operating Expenses shall be subject to the reasonable approval of the City.

The term "**Senior Loan**" shall mean, individually and collectively, the Construction Loan and the Permanent Loan, or any other loan secured by a deed of trust or other instrument to which the City agrees to subordinate this Note, the HOME Deed of Trust and the other HOME Documents.

2. This Note evidences the obligation of the Participant to the City for the repayment of the HOME Loan. Participant may prepay the principal balance of this Note at any time without penalty. However, even if Participant prepays the entire balance of this Note including all accrued interest, costs and penalties, the covenants, conditions and restrictions imposed on the Site by the HOME Regulatory Agreement shall remain in full force and effect for the full term as specified therein.

3. This Note is payable at the principal office of City, One Manchester Boulevard , Inglewood, California 90301, or at such other place as the holder hereof may inform the Participant in writing, in lawful money of the United States.

4. This Note is secured by the HOME Deed of Trust.

5. This Note shall accrue compound interest at the rate of one and seventy-nine/100 percent (1.79%) per annum on a "draw down" basis on the principal amount disbursed by the City, from the date of disbursement. However, if any event occurs giving the City the right to accelerate repayment of this Note, the entire unpaid principal balance owing hereunder shall, as of the date of such default, commence to accrue interest at a rate equal to maximum interest rate permitted by law (the "**Default Rate**"). Further, in the event Participant fails to reimburse the City for any amount advanced by or for the account of the City which is due hereunder or under the HOME Deed of Trust within ten (10) days after written notice of such advance is made by the City to Participant, then such unreimbursed amount shall thereafter bear interest at the Default Rate until paid

6. The unpaid principal balance of this Note and all accrued but unpaid interest shall be entirely due and payable upon the earliest to occur of the following (which shall be referred to herein as the "**Maturity Date**"):

(a) the date which is fifty-five (55) years from the issuance of a certificate of occupancy by the City for the Project; or

(b) the date the Site or the improvements thereon or any portion thereof or interest therein is sold, transferred, assigned or refinanced, without the prior written approval of the City, except as permitted by the HOME Agreement; or

(c) the date on which there is a Default by the Participant under the terms of this Note, the HOME Agreement, the HOME Deed of Trust, the HOME Regulatory Agreement,

or any deed of trust or other instrument securing the Senior Loan, which is not cured or waived within the respective time period provided herein and therein.

7. Prior to the Maturity Date, Participant shall be obligated to repay the HOME Loan as follows:

(a) Participant shall be obligated to repay the principal amount of this Note and the accrued interest thereon, without set off or deduction, by paying to the City, on each June 1 in "Residual Residential Receipts," to the extent Residual Residential Receipts are available, for the calendar year, or portion thereof, ending on the immediately preceding December 31 (as the term "Residual Residential Receipts " are defined in Section 1 of this Note), 16.5% of that year's Residual Residential Receipts (with 58.5% of the Residual Residential Receipts payable by the Participant to the City for that certain financial assistance provided by the City for the Project). The first such repayment under this Section 7 shall be due on the first day of the first month which is one full calendar year following the issuance of a certificate of occupancy by the City for the Project, and the last payment shall be due on first day of the month fifty-five (55) years later. However, notwithstanding the foregoing, this Note shall be fully due and payable on the Maturity Date.

(b) To induce City to make the HOME Loan, the Participant covenants and agrees as follows:

(i) Distribution of Cost Savings

If, on the date of the conversion of the Construction Loan to the Permanent Loan, the sum of all Project Funds disbursed (as "**Project Funds**" is defined in the Disbursement Agreement), plus any retention amounts then owing to contractors and others, plus any unpaid Project Costs set forth in the most recent approved Project Budget (including paying down the Developer Fee to an amount that is not less than $_____) which the City and Construction Lender agree are to be disbursed subsequent to the Completion date (such as, by way of example only and without limiting the generality of the foregoing, costs associated with funding final Tax Credit Equity Investor capital contributions) is less than $_____ _____ (the amount of such savings being referred to herein as the "**Cost Savings**"), then any Cost Savings shall be applied first towards payment of any outstanding Deferred Developer Fee with any undisbursed amount of the Permanent Loan, plus any undisbursed amounts of the Residential Loan and the HOME Loan, plus any undisbursed capital contributions by Participant's Limited Partner released to the City in the amounts representing 58.5% and 16.5%. respectively, of the Cost Saving balance for purposes of reducing the Residential Loan and the HOME Loan.

(c) Upon any sale or transfer of the Project or a refinance of the Senior Loan, Participant shall pay 58.5% of the Net Proceeds to the City to pay down the Residential Loan, provided that 16.5% of the Net Proceeds are payable by the Participant to the City to pay down that certain HOME Loan obtained by the Participant from the City to finance the Project.

(d) All payments to the City on the Residential Loan shall be applied first to the payment of all expenses, charges, costs and fees incurred by or payable to City by Participant pursuant to the terms of the HOME Loan Documents (in such order and manner as City, in its sole discretion, may elect), then to the payment of all interest accrued to the date of such payment, and then to reduce the principal amount owed. All prepayment of principal on this Note shall be applied to the most remote principal installment or installments until paid. Notwithstanding anything to the contrary contained herein, after the occurrence and during the continuation of a default under the HOME Deed of Trust, all amounts received by the City from any party shall be applied in such order as the City, in its sole discretion, may elect.

8. Any breach by Participant of the provisions of the HOME Agreement shall constitute a default under this Note. The cure periods under the HOME Agreement and this Note in connection with such a default shall run concurrently.

9. Except as otherwise provided in this Note, the HOME Agreement or any other document executed in connection with the foregoing, Participant waives presentment for payment, demand, protest, and notices of dishonor and of protest; the benefits of all waivable exemptions; and all defenses and pleas on the ground of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice. Participant hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the holder hereof, in the enforcement of this Note, the HOME Deed of Trust or any term or provision of either.

10. Upon the failure of Participant to perform or observe any term or provision of this Note, or upon the occurrence of any event of default under the terms of the HOME Agreement, the HOME Deed of Trust, or the HOME Regulatory Agreement, the holder may exercise its rights or remedies hereunder or thereunder. All such rights and remedies shall be cumulative. Upon the event of a default that is not cured or waived within the time provided therefore, the whole of the unpaid principal and interest owing on this Note shall, at the option of City and without notice, become immediately due and payable. This right of the City to declare amount owing on this Note immediately due and payable may be exercised at any time after any such event and the acceptance of one or more payments from any person thereafter shall not constitute a waiver of City's right. City's failure to exercise said right in connection with any particular event or series of events shall not be construed as a waiver of the provisions hereof as regards that event or any subsequent event. Notwithstanding anything in this Note to the contrary, the City agrees that during the 15-year tax credit compliance period for the Project's Low and Moderate Income Housing Tax Credits, the City will not accelerate payment of the amounts owing on this Note or commence foreclosure proceedings under the HOME Deed of Trust.

11. (a) Subject to the extensions of time set forth in Section 12, and subject to the further provisions of this Section 11, failure or delay by Participant to perform any material term or provision of this Note, the HOME Agreement, the HOME Deed of Trust, or the HOME Regulatory Agreement constitutes a default under this Note.

(b) City shall give written notice of default to Participant, specifying the default complained of by the City. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by City in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by City in asserting any of its rights and remedies shall not deprive City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

(d) If a monetary event of default occurs, prior to exercising any remedies hereunder, the City shall give the Participant written notice of such default. The Participant shall have a period of ten (10) days after such notice is given within which to cure the default prior to exercise of remedies by the City.

(e) If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the City shall give Participant notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Participant shall have such period to effect a cure prior to exercise of remedies by the City. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Participant (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then Participant shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the City. If Participant fails to take corrective action or cure the default within a reasonable time, the City shall give Participant and, as provided in paragraph (f), below, the Investor Limited Partner, notice thereof, whereupon the Investor Limited Partner may remove and replace the General Partner with a substitute general partner, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The City agrees to accept cures tendered by the Investor Limited Partner within the cure periods provided in this Note or within the time periods provided in Civil Code Section 2924c, whichever is longer. Additionally, in the event the Investor Limited Partner is precluded from curing a non-monetary default due to an inability to remove the General Partner as a result of a bankruptcy, injunction, or similar proceeding by or against Participant or its General Partner, the City agrees to forbear from completing a foreclosure (judicial or nonjudicial) during the period during which the Investor Limited Partner is so precluded from acting, not to exceed 90 days, provided such limited partner is otherwise in compliance with the foregoing provisions. In no event shall the City be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given.

(f) After Participant gives written notice to the City that the Investor Limited Partner has been admitted to the Limited Partnership, the City shall send to the Investor Limited Partner a copy of all notices of default and all other notices that the City sends to Participant, at the address for the Investor Limited Partner given in Section 16 of this Note.

(g) Any notice of default shall be deemed given only if either (i) dispatched by first class mail, registered or certified, postage prepaid, return receipt requested, to the

addresses specified for the Participant and the Investor Limited Partner in Section 16 of this Note, or (ii) by personal delivery (including by means of professional messenger or courier service such as United Parcel Service or Federal Express) to the addresses specified for the Participant and the Investor Limited Partner in Section 16 of this Note. Receipt shall be deemed to have occurred on the date marked on a written postal service or messenger or courier service receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable). If either party gives notice of a change of address in the manner specified in this paragraph, all notices, demands and communications originated after receipt of the change of address (or the effective date specified in the notice of change of address, if later) shall be transmitted, delivered or sent to the new address.

12. Notwithstanding specific provisions of this Note, non-monetary performance hereunder shall not be deemed to be in default where delays are due to causes beyond the control and without the fault of the party claiming an extension of time to perform (a "**Force Majeure Delay**"), provided that they actually delay and interfere with the timely performance of the matter to which they would apply and despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such interference, including: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, or suppliers; acts of the other party; acts or failure to act of any Governmental Agency (except acts or failure to act of City shall not excuse performance by City); the imposition of any applicable moratorium by a Governmental Agency; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within ten (10) business days after it obtains actual knowledge of the event.

13. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations must be completely performed and paid.

14. The HOME Deed of Trust securing this Note shall be subordinate and junior to the liens, terms, covenants and conditions of the Senior Deed of Trust, to the extent and in the manner provided in that certain subordination agreement with Senior Lender dated on or about the date hereof (the "**Subordination Agreement**"). The rights and remedies of the payee and each subsequent holder of this Note under the HOME Deed of Trust securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to

perform and observe all of the terms, covenants and conditions to be performed or observed by the City under the Subordination Agreement.

15. (a) The obligation to repay the HOME Loan is a nonrecourse obligation of the Participant and its partners. Neither the Participant nor any of its general or limited partners, nor any other party, shall have any personal liability for repayment of the loan. The sole recourse of the City with respect to repayment of the HOME Loan shall be the exercise of its rights against the Site and the improvements thereon and any related security for the HOME Loan. Provided, however, that the foregoing shall not (i) constitute a waiver of any obligation evidenced by the HOME Loan Documents or the HOME Regulatory Agreement; (ii) prevent or in any way hinder the City from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, any remedy prescribed by law or in equity in case of default, other than repayment of the HOME Loan; or (iii) relieve Participant of any of its obligations under any indemnity delivered by Participant to the City.

(b) Notwithstanding the foregoing, the City may obtain a judgment or order (including, without limitation, an injunction) requiring any Person to perform (or refrain from) specified acts other than repayment of the HOME Loan; may proceed against any Person whatsoever with respect to the enforcement of any guarantees, surety bonds, letters of credit, reimbursement agreements or similar rights to payment or performance; and may recover directly from any Person:

(i) any damages, costs and expenses incurred by City as a result of fraud, misrepresentation or any criminal act or acts of Participant or any member, partner, shareholder, officer, director or employee of (a) Participant or (b) any of Participant's members or general partners or (c) any member or partner of any of Participant's members or general partners;

(ii) any damages, costs and expenses incurred by City as a result of any misappropriation of funds provided for the construction of the Project, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds;

(iii) any and all amounts owing by Participant pursuant to Participant's indemnification regarding Hazardous Substances; and

(iv) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

16. (a) The address of Participant for purposes of receiving notices pursuant to this Note is as follows:

Grevillea Housing, LP
c/o Abode Communities
701 East Third Street, Suite 400
Los Angeles, California 90013
Attn: Ms. Robin Hughes, Chief Executive Officer

and

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, California 90071
Attn: Lance Bocarsly, Esq.
Facsimile No.: (213) 239-0410

With a copy to (which shall not constitute notice to Participant):

(b) The address of Investor Limited Partner and Administrative Limited Partner for purposes of receiving notices pursuant to this Note is as follows:

If to the Investor Limited Partner:

17. In addition to the other terms of this Note, the Participant hereby agrees and acknowledges that, notwithstanding any internal accounting procedures or provision pertaining to the use of receipts, payments, reserves and distributions contained in its partnership agreement or other organizational document, the terms of this Note and the HOME Agreement shall control as to the repayment of the HOME Loan.

18. Neither this Note nor any term hereof may be waived, amended, discharged, modified, changed or terminated orally; nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by the City and Participant.

19. Notwithstanding any provision in this Note, the HOME Deed of Trust or other document securing same, the total liability for payment in the nature of interest shall not exceed the limit imposed by applicable laws of the State of California.

20. This Note has been executed and delivered by Participant in the State of California and is to be governed and construed in accordance with the internal laws thereof, disregarding the rules governing conflict of laws.

21. Every provision of this Note is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable, and this Note shall be construed as if such illegal, invalid or unenforceable term or provision had not been contained herein.

22. Time is of the essence in the performance of each provision hereof.

IN WITNESS WHEREOF, Participant has executed this Note as of the day and year set forth above.

BORROWER:

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

ATTACHMENT NO. 8
to Disposition and Affordable Housing Development Agreement

HOME DEED OF TRUST

When Recorded Return to:

CITY OF INGLEWOOD
One Manchester Boulevard
Inglewood, CA 90301
Attn: City Administrator

SPACE ABOVE THIS LINE FOR RECORDING USE

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) BY GREVILLEA HOUSING, L.P. FOR THE BENEFIT OF THE CITY OF INGLEWOOD (HOME FUNDS)

This Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), dated as of January 23, 2012 is made by **GREVILLEA HOUSING**, L.P., a California limited partnership (hereinafter referred to as "**Trustor**"), whose address is Grevillea Housing, LP, 701 East Third Street, Suite 400 Los Angeles, California 90013, to First American Title Company, a California corporation (hereinafter called "**Trustee**"), for the benefit of the CITY OF INGLEWOOD, a charter city (hereinafter called "**Beneficiary**"), whose address is One Manchester Boulevard, Inglewood, California 90301.

Witnesseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION all present and future right, title and interest of Trustor in and to the following property (the "**Trust Estate**"):

(1) All of Trustor's rights, title and interest in and to that certain real property in the City of Inglewood, County of Los Angeles, State of California more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereafter referred to as the "**Subject Property**");

(2) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the "**Improvements**");

(3) all tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "**Appurtenances**"). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the "**Real Property**");

(4) subject to the assignment to Beneficiary set forth in Paragraph 4 below, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation, leasing or occupancy of the Trust Estate, including those past due and unpaid (the "**Rents**");

(5) all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "**UCC**"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "**Goods**," and together with the Real Property, the "**Property**"); and

(6) all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits,

bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types on intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "**Intangibles**").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estate described above in which a security interest may be created under the UCC (collectively, the "**Personal Property**"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Sections 9502(c) and 9604 of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, all of the following:

(1) Due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following (the "**Secured Obligations**"):

(a) a promissory note in the face amount of Two Million Eight Hundred Thousand Dollars ($2,800,000), payable from the residual receipts of the Project, executed by Trustor ("Participant" therein) of even date herewith (the "**HOME Note**");

(b) the Disposition and Affordable Housing Development Agreement dated as of January 23, 2012, by and between Trustor ("Participant" therein) and Beneficiary ("City" therein) (the "**HOME Agreement**"); and

(c) the Agreement Containing HOME Program Requirements dated as of January 23, 2012by and between Trustor ("Participant" therein) and Beneficiary ("City" therein), recorded concurrently herewith (the "**HOME Regulatory Agreement**").

(2) Payment of indebtedness of the Trustor to the Beneficiary in the principal amount of Two Million Eight Hundred Thousand Dollars ($2,800,000) or so much thereof as shall be advanced, evidenced by the HOME Note, with compound interest, according to the terms of the HOME Note.

(3) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal,

surety or guarantor) for the benefit of Beneficiary, when such future advance of obligation is evidenced by a writing which recites that it is secured by this Deed of Trust.

The HOME Agreement, including all Attachments thereto, and the documents and instruments executed by Trustor in connection with the Project, including the HOME Regulatory Agreement, and the HOME Note, all as described in the HOME Agreement and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced. Any capitalized term that is not otherwise defined in this Deed of Trust shall have the meaning ascribed to such term in the HOME Agreement or OPA, as applicable.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That Trustor shall pay the HOME Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the Secured Obligations at the time and in the manner respectively provided therein;

2. That Trustor shall not permit or suffer the use of any of the Property for any purpose other than the uses permitted by the Secured Obligations;

3. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

4. That, subject to the prior rights, if any, of a lender whose lien is senior to this Deed of Trust ("**Senior Lender**"), all rents, profits and income from the Trust Estate are assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the Secured Obligations.

5. That upon default hereunder or under the aforementioned agreements, and after the giving of notice and the expiration of any applicable cure period, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Trust Estate and operate same and collect the rents, profits and income therefrom;

6. That Trustor will keep the Improvements insured against loss by fire and such other hazards, casualties, and contingencies as may reasonably be required in writing from time to time by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. In no event shall the amounts of coverage be less than 100 percent of the insurable value of the Property. Such policies shall be endorsed with standard mortgage clause

with loss payable to the Beneficiary and certificates thereof together with copies of original policies shall be deposited with the Beneficiary;

7. To pay, at least 10 days before delinquency, any taxes and assessments affecting the Property; to pay, when due, all encumbrances, charges and liens, with interest, on the Property or any part thereof which appear to be prior or superior hereto; and to pay all costs, fees, and expenses of this Trust. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7.

8. To keep the Property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations); not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law and/or covenants, conditions and/or restrictions affecting the Property; not to permit or suffer any material alteration of or addition to the Improvements without the consent of the Beneficiary;

9. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear;

10. Should Trustor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Following default, after the giving of notice and the expiration of any applicable cure period, Beneficiary or Trustee being authorized to enter upon said property for such purposes, may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; may pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, may pay necessary expenses, employ counsel, and pay reasonable attorney fees. Notwithstanding the foregoing, in the event of default under this Deed of Trust, the Beneficiary may also require Trustor to maintain and submit additional records. Beneficiary shall specify in writing the particular records that must be maintained and the information or reports that must be submitted;

11. Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the principal sum secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the rate specified in the HOME Note;

13. That the funds to be advanced hereunder are to be used in accordance with the Secured Obligations and upon the failure of Trustor to keep and perform all the covenants, conditions, and agreements of said agreements, the principal sum and all arrears of interest, and other charges provided for in the HOME Note shall at the option of the Beneficiary of this Deed of Trust become due and payable, anything contained herein to the contrary notwithstanding;

14. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the property subject to this Deed of Trust any lien or liens except as permitted by the Secured Obligations or otherwise approved by Beneficiary, and further that it will keep and maintain the Property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request, prior to foreclosure) record in the Office of the Recorder of Los Angeles County, a surety bond in an amount one-and-one-half (12) times the amount of such claim item to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary;

15. That any and all improvements made or about to be made upon the premises covered by the Deed of Trust, and all plans and specifications, comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office;

16. Trustor herein agrees to pay to Beneficiary or to the authorized loan servicing representative of the Beneficiary a reasonable charge for providing a statement regarding the obligation secured by this Deed of Trust as provided by Section 2954, Article 2, Chapter 2 Title 14, Division 3, of the California Civil Code.

IT IS MUTUALLY AGREED THAT:

17. Should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other

manner, subject to the rights of Senior Lender, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. Subject to the rights of the Senior Lenders, all such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to Beneficiary. After deducting therefrom all its expenses, including attorney's fees, the balance of the proceeds which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged, shall be applied to the amount due under the Residential Note secured hereby. No amount applied to the reduction of the principal shall relieve the Trustor from making regular payments as required by the Residential Note. If the Residential Note has been repaid in full, the remainder of the balance shall revert to the Trustor;

18. Upon default by Trustor in making any payments provided for in the HOME Note secured hereby or in this Deed of Trust, or in performing any obligation set forth in any of the Secured Obligations, and if such default is not cured within the respective time provided therefor in Section 34 of this Deed of Trust, below, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust, the HOME Note and all documents evidencing expenditures secured hereby;

19. a. Prior to the repayment in full of the HOME Loan, the Trustor shall not assign or attempt to assign the HOME Agreement or any right therein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property, the Improvements, or any portion thereof or interest therein (referred to hereinafter as a "**Transfer**"), without prior written approval of the Beneficiary, except as otherwise permitted in the Secured Obligations. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. Beneficiary shall not unreasonably withhold or delay its consent. If consent should be given, any such transfer shall be subject to this Section 19, and any such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein, subject to the provisions of paragraph e.(3) of this Section 19, below.

b. Any such proposed transferee shall have the qualifications and financial responsibility necessary and adequate as may be reasonably determined by the Beneficiary, to fulfill the obligations undertaken by Trustor in the Secured Obligations. Any such proposed transferee, by instrument in writing satisfactory to the Beneficiary and in form recordable among the land records of Los Angeles County, for itself and its successors and assigns, and for the benefit of the Beneficiary shall expressly assume all of the obligations of the Trustor under the Secured Obligations, and agree to be subject to all conditions and restrictions applicable to the Trustor in this Deed of Trust, subject to the provisions of paragraph e.(3) of this Section 19. There shall be

submitted to the Beneficiary for review all instruments and other legal documents proposed to effect any such transfer; and if approved by the Beneficiary its approval shall be indicated to the Trustor in writing.

c. In the absence of specific written agreement by the Beneficiary, no Transfer, or approval thereof by the Beneficiary, shall be deemed to relieve the Trustor or any other party from any obligations under the Secured Obligations.

d. In the event of a Transfer prior to the time the HOME Loan is paid in full and without the prior written consent of the Beneficiary, the net proceeds (after repayment in full of the Senior Loan and the reconveyance of the Senior Deed of Trust), shall be paid to the Beneficiary to the extent necessary to pay in full the accrued interest, if any, current interest and remaining principal balance of the HOME Loan.

e. (1) As used herein, "Transfer" includes the sale, agreement to sell, transfer or conveyance of the Property, the Project, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment sale contract or similar instrument affecting all or a portion of the Property or Project, the lease of all or substantially all of the Property or Project, except as provided in subparagraph (3) below, or the appointment of a receiver or trustee to operate or exercise direct or indirect control over any portion of or interest in the Project or to operate or exercise direct or indirect control over any interest in any general partner or member of Trustor or any general partner or member of a general partner or member of Trustor.

(2) "Transfer" shall also include the transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of any interest in Trustor or any general partner or member of Trustor or of any general partner or member of a general partner or member of Trustor, or any conversion of Trustor to an entity form other than that of Trustor at the time of execution of this Deed of Trust, except that, a cumulative change in ownership interest of any general partner of the Trustor of forty-nine percent (49%) or less shall not be deemed a "Transfer" for purposes of this Deed of Trust.

(3) Notwithstanding paragraphs (1) and (2), "Transfer" shall <u>not</u> include any of the following Permitted Transfers:

(i) a conveyance of a security interest to the beneficiary of the Senior Deed of Trust or the conveyance of title to the Property or Project in connection with a foreclosure, a deed in lieu of foreclosure or similar conversion of such loan;

(ii) (1) A conveyance of the Project to a limited partnership in which the Managing General Partner or Administrative General Partner is Trustor or Trustor's Managing General Partner or Administrative General Partner, or a sale back from such partnership to Trustor or such Managing General Partner or Administrative General Partner.

(2) The substitution of a General Partner as directed by the Investor Limited Partner in accordance with the terms of the Limited Partnership Agreement, subject to the following terms and conditions. The Investor Limited Partner may substitute the Special Limited Partner (or another reasonably acceptable Affiliate of Investor Limited Partner) (the "**Interim General Partner**") on an interim basis for a period reasonably calculated to identify and admit into the partnership a new General Partner, as set forth below (the "**Substitute General Partner**"). The Substitute General Partner must be an entity reasonably acceptable to the Beneficiary, which approval shall not be unreasonably withheld or delayed.

(iii) Any refinancing that repays any of the Senior Loan (referred to herein as a "**Take-out Loan**"), if Beneficiary reasonably determines (which determination shall not be unreasonably withheld, conditioned or delayed) that (i) the resulting loan-to-value ratio (including the Take-out Loan, any of the remaining Senior Loan not repaid by the refinancing) will not exceed the loan-to-value ratio in effect at the time of the Permanent Financing Event for the initial development of the Project, and the repayment terms of the Take-out Loan do not materially impair the Trustor's ability to repay the Residential Loan and HOME Loan (ii) the Take-out Loan is replacing a matured Senior Loan and the amount of the Take-out Loan is equal to, or less than, the amount owing on the matured Senior Loan.

(iv) The leasing for occupancy of all or any part of the Property or Project in accordance with this Deed of Trust, the HOME Agreement and the HOME Regulatory Agreement.

(v) The inclusion of equity participation by Trustor by transfer or addition of limited partners to the Trustor or similar mechanism; provided that such transfer, addition or other mechanism shall not involve any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

(vi) The pledge by a General Partner to the Investor Limited Partner of the General Partner's interest in Trustor, as security for the performance of all of the General Partner's obligations under the Limited Partnership Agreement.

(vii) The sale, transfer or pledge of any limited partnership interest in the Trustor or of any partnership interest in the Investor Limited Partner; provided that such sale, transfer or pledge shall not be to any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

(viii) Any dilution of the General Partner's interest in the Trustor in accordance with the Limited Partnership Agreement.

20. After the lapse of such time as may then be required by law following the recordation of a notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of

sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the rate specified in the HOME Note; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

21. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee;

22. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

23. Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, including but not limited to the obligations set forth in the HOME Regulatory Agreement, and upon surrender of this Deed of Trust and any note, instrument or instruments setting forth all obligations secured hereby to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or fact shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto;

24. The trust created hereby is irrevocable by Trustor;

25. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner

and holder including pledgees, of the HOME Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several;

26. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee. Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law;

27. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth on the first page of this Deed of Trust.

28. Trustor agrees at any time and from time to time upon receipt of a written request from Beneficiary, to furnish to Beneficiary detailed statements in writing of income, rents, profits, and operating expenses of the premises, and the names of the occupants and tenants in possession, together with the expiration dates of their leases and full information regarding all rental and occupancy agreements, and the rents provided for by such leases and rental and occupancy agreements, and such other information regarding the premises and their use as may be requested by Beneficiary.

29. Trustor agrees that the loan amount of the HOME Loan as secured by this Deed of Trust is made expressly for the purpose of financing the construction of Improvements on the Property as set forth in the OPA and the HOME Agreement, including 145 dwelling units, 143 of which shall be affordable to Moderate Income Households, and such dwelling units shall be occupied exclusively by such persons as set forth in the Secured Obligations.

30. Trustor agrees that, except as otherwise provided in the HOME Note, upon sale or refinancing of the Property, the entire principal balance of the debt secured by this Deed of Trust, plus any accrued but unpaid interest thereon, shall at the option of Beneficiary be immediately due and payable.

31. a. The obligation to repay the HOME Loan is a nonrecourse obligation of the Trustor and its partners. Neither the Trustor nor any of its general or limited partners, nor any other party, shall have any personal liability for repayment of the loan. The sole recourse of the Beneficiary with respect to repayment of the HOME Loan shall be the exercise of its rights against the Property and the improvements thereon and any related security for the HOME Loan. Provided, however, that the foregoing shall not (i) constitute a waiver of any obligation evidenced by the HOME Loan Documents or the HOME Regulatory Agreement; (ii) prevent or in any way hinder the Beneficiary from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, any remedy prescribed by law or in equity in case of

default, other than repayment of the HOME Loan; or (iii) relieve Trustor of any of its obligations under any indemnity delivered by Trustor to the Beneficiary. The foregoing provisions of this paragraph are limited by the provision that in the event of the occurrence of a default, Trustor and its successors and assigns shall have personal liability hereunder for any deficiency judgment, but only if and to the extent Trustor, its principals, shareholders, partners or its successors and assigns received rentals, other revenues, or other payments or proceeds in respect of the mortgaged Property after the occurrence of such default, which rentals, other revenues, or other payments or proceeds have not been used for the payment of ordinary and reasonable operating expenses of the mortgaged Property, ordinary and reasonable capital improvements to the mortgaged Property, debt service, real estate taxes in respect of the mortgaged Property and basic management fees, but not incentive fees, payable to an entity or person unaffiliated with Trustor in connection with the operation of the mortgaged Property, which are then due and payable.

b. Notwithstanding the foregoing, the Beneficiary may obtain a judgment or order (including, without limitation, an injunction) requiring any Person to perform (or refrain from) specified acts other than repayment of the HOME Loan; may proceed against any Person whatsoever with respect to the enforcement of any guarantees, surety bonds, letters of credit, reimbursement agreements or similar rights to payment or performance; and may recover directly from any Person:

(i) any damages, costs and expenses incurred by Beneficiary as a result of fraud, misrepresentation or any criminal act or acts of Trustor or any member, partner, shareholder, officer, director or employee of (a) Trustor or (b) any of Trustor's members or general partners or (c) any member or partner of any of Trustor's members or general partners;

(ii) any damages, costs and expenses incurred by the Beneficiary as a result of any misappropriation of funds provided for the construction of the Project, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds;

(iii) any and all amounts owing by Trustor pursuant to Trustor's indemnification regarding Hazardous Substances; and

(iv) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

32. Notwithstanding specific provisions of this Deed of Trust, non-monetary performance hereunder shall not be deemed to be in default where delays or defaults are proximately caused by any of the following Force Majeure events, provided such event actually delays and interferes with the timely performance of the matter, and, despite the exercise of diligence and good business practices, such event is beyond the reasonable control of Trustor: War; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this

transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, or suppliers; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of the Beneficiary shall not excuse performance by the Beneficiary); the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Event unless and until Trustor delivers to Beneficiary written notice describing the event, its cause, when and how Trustor obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Trustor shall deliver such written notice within ten (10) business days after it obtains actual knowledge of the event.

33. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the Secured Obligations, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations.

34. (a) Subject to the extensions of time set forth in Section 32, and subject to the further provisions of this Section 34, failure or delay by Trustor to perform any material term or provision respectively required to be performed under the Secured Obligations or this Deed of Trust constitutes a default under this Deed of Trust.

(b) Beneficiary shall give written notice of default to Trustor, specifying the default complained of by the Beneficiary. Failure or delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by Beneficiary in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

(d) If a monetary event of default occurs, prior to exercising any remedies hereunder, Beneficiary shall give Trustor written notice of such default. Trustor shall have a period of ten (10) days after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary.

(e) If a non-monetary event of default occurs, prior to exercising any remedies hereunder, Beneficiary shall give Trustor notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Trustor (i) initiates corrective action within said period, and (ii)

diligently, continually, and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. If Trustor fails to take corrective action or cure the default within a reasonable time, Beneficiary shall give Trustor and, as provided in paragraph (f), below, the Investor Limited Partner, notice thereof, whereupon the Investor Limited Partner may remove and replace the general partner with a substitute general partner, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. Beneficiary agrees to accept cures tendered by the Investor Limited Partner within the cure periods provided in this Deed of Trust or within the time periods provided in Civil Code Section 2924c, whichever is longer. Additionally, in the event the Investor Limited Partner is precluded from curing a non-monetary default due to an inability to remove the General Partner as a result of a bankruptcy, injunction, or similar proceeding by or against Trustor or its General Partner, Beneficiary agrees to forbear from completing a foreclosure (judicial or nonjudicial) during the period during which the Investor Limited Partner is so precluded from acting, not to exceed 90 days, provided such limited partner is otherwise in compliance with the foregoing provisions. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given.

(f) After Trustor gives written notice to Beneficiary that the Investor Limited Partner has been admitted to the Trustor, Beneficiary shall send to the Investor Limited Partner a copy of all notices of default and all other notices that Beneficiary sends to Trustor, at the address for the limited partner as provided by written notice to Beneficiary by Trustor.

(g) Except as otherwise required to comply with the provisions of California Civil Code Section 2924 et seq. that are applicable thereto, any notice of default that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice of default that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by Trustor; and any notice of default that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

35. This Deed of Trust shall be subordinate and junior to the Senior Deed of Trust, as described in the HOME Agreement. The City Manager of the Beneficiary or his designee shall execute such instruments as may be necessary to subordinate the lien of this Deed of Trust, to the deed of trust securing any Senior Loan. In the event of a default or breach by Trustor of any security instrument securing a Senior Loan described in this Section 35, Beneficiary shall have the right to cure the default prior to completion of any foreclosure. In such event, Beneficiary shall be entitled to reimbursement by Trustor of all costs and expenses incurred by Beneficiary in curing the default. The amount of any such disbursements shall be a lien against the Property and added to the obligation secured by this Deed of Trust until repaid, with interest at the highest rate permitted by law.

36. This Deed of Trust shall be subject to the terms and conditions set forth in that certain Subordination Agreement, dated on or about the date hereof, by and among the Trustor, Senior Lender and Beneficiary, as the same may be amended, restated, supplemented or modified from time to time.

37. The Trustor has informed the Beneficiary that Trustor intends that the Project qualify for an allocation of low-income housing tax credits under Section 42 of the Internal Revenue Code ("**Nine Percent Tax Credit**"). In order to receive an allocation of tax credits, the Trustor will be required to record in the real property records of the County of Los Angeles an "extended low-income housing commitment" (as defined in Code Section 42(h)(6)(B)) (the "**Extended Use Agreement**"). If the Trustor demonstrates to the reasonable satisfaction of Beneficiary that the California Tax Credit Allocation Committee or applicable federal law requires that the lien of this Deed of Trust be subordinate to the Extended Use Agreement, then the Beneficiary shall execute a subordination agreement ("**Extended Use Subordination Agreement**") wherein the lien of this Deed of Trust is subordinated to the Extended Use Agreement. The Extended Use Subordination Agreement will:

(a) provide that, if the Beneficiary or its successors or assigns (collectively, the "**REO Owner**") acquires the Property by foreclosure (or instrument in lieu of foreclosure), then the "extended use period" (as defined in Code Section 42(h)(6)(D)) shall terminate, except for the obligation of the REO Owner to comply with the limitations on evictions, termination of tenancy and increase in rents for the three year period following the REO Owner's acquisition of the mortgaged property, as set forth in Code Section 42(h)(6)(E)(ii); and

(b) otherwise be in a form reasonably acceptable to Beneficiary.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

"TRUSTOR"

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

APPROVED BY:

"**CITY**"
CITY OF INGLEWOOD
a Charter City

By: _____
James T. Butts, Jr.
Mayor

ATTEST:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED

KANE, BALLMER & BERKMAN
City Special Counsel

By: _____
Royce K. Jones

CALIFORNIA ACKNOWLEDGEMENT

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared_____,
_____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)**

CALIFORNIA ACKNOWLEDGEMENT

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared_____,
_____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)**

Exhibit A to HOME Deed of Trust
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

End of Legal Description

ATTACHMENT NO. 9
to Disposition and Affordable Housing Development Agreement

HOME REGULATORY AGREEMENT
AGREEMENT CONTAINING HOME PROGRAM REQUIREMENTS

When Recorded Return to:
CITY OF INGLEWOOD
One Manchester Boulevard
Inglewood, CA 90301
Attn: City Manager

SPACE ABOVE THIS LINE FOR RECORDING USE

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

AGREEMENT CONTAINING HOME PROGRAM REQUIREMENTS
(24 CFR § 92.504)

THE CITY OF INGLEWOOD, a municipal corporation ("City") and GREVILLEA HOUSING, L.P., a California limited partnership ("Owner"), in furtherance of the regulations issued by the United States Department of Housing and Urban Development set forth in 24 CFR Part 92 (the "HOME Regulations"), hereby agree as follows, as of January 23, 2012:

WHEREAS, City is responsible for administering the use of certain funds made available to the City of Inglewood by the United States Department of Housing and Urban Development ("HUD") under the HOME Investment Partnerships Program (the "HOME Program"); and

WHEREAS, City and Owner entered into a Disposition and Affordable Housing Development Agreement dated as of January 23, 2012 ("Affordable Housing Agreement"), providing, among other things, for the construction on the "Property" located at 100 East Nutwood Street, Inglewood, and further described on Exhibit A, a 62-unit multi-family housing project, of which 61 units shall be used exclusively as affordable rental housing for Very Low Income, Low Income, and Moderate Income Households; and

WHEREAS, pursuant to the Affordable Housing Agreement, the City has agreed to use HOME Funds to fund a loan to Owner (the "HOME Loan"), for payment of a portion of the Acquisition and Development Costs; and

WHEREAS, the parties mutually desire to comply with all applicable HOME Regulations.

NOW, THEREFORE, the City and Owner hereby agree as follows:

1. **Term of this Agreement.** In accordance with the formula set forth in 24 CFR 92.252(e) and as required by 24 CFR 92.504 (c)(3)(ix), this Agreement shall remain in effect for not less than the HOME affordability period of twenty (20) years from the date of issuance of a certificate of occupancy by the City of Inglewood, Planning and Building Department. Following the expiration of that twenty-year HOME restricted period, this Agreement shall continue to remain in effect for an additional thirty-six (36) years, for a term of fifty-six (56) years in total.

2. **Affordable Housing Agreement.** This Agreement is attached as Attachment No. 9 to the Affordable Housing Agreement. The Affordable Housing Agreement as it may be amended from time to time, including all the attachments appended thereto, is incorporated herein by this reference. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Affordable Housing Agreement.

3. **Use of HOME Funds. 24 CFR 92.504(c)(3)(i).**

The HOME Funds shall be used exclusively for the payment of costs incurred in connection with the construction of the Project (sometimes referred to herein as the "Project Activities") in accordance with the Affordable Housing Agreement.

a. Schedule. The development of the Property shall be accomplished within the time provided in the Schedule of Performance, which is attached to the Affordable Housing Agreement as Attachment No. 5.

b. Tasks and Budget. The tasks to be performed with the use of the HOME Funds, and the Project Budget, which specifies the line items for which HOME Funds will be used, are set forth in the Project Budget attached to the Affordable Housing Agreement as Attachment No. 6.

4. **Affordability. 24 CFR 92.252; 92.504(c)(3)(ii).**

a. The Project will be used exclusively as housing that is affordable to Very Low Income and Low Income and Moderate Income Households, except for that unit designated as the management unit for the on-site community manager. Sixteen (16) of the restricted Sixty One (61) units shall be designated as HOME units and restricted to Very Low Income and Low Income households, as follows:

i) Two (2) two-bedroom units shall be restricted for occupancy by Very Low Income households – Low HOME/Tax Credit (30% Median)

ii) Three (3) two-bedroom units shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (40% Median)

iii) Five (5) two-bedroom units shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (45% Median)

iv) Five (5) three-bedroom units shall be restricted for occupancy by Very Low Income households – Low HOME/Tax Credit (30% Median)

v) One (1) three-bedroom unit shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (40% Median)

The total square footage of the HOME units must be at least Sixteen Thousand One Hundred (16,100) square feet. For reference purposes only, two 2-bedroom units and five of the 3-bedroom units may be denominated as "30%" Tax Credit units, three of the 2-bedroom units and one of the 3-bedroom units may be denominated as "40%" Tax Credit units, and five of the 2-bedroom units may be denominated as "45%" Tax Credit units.

b. The maximum rents, including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by Very Low Income households shall not exceed the lesser of either (i) or (ii) of the following rent requirements:

i) The rent does not exceed the lesser of (1) 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, as provided by HUD; (2) the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or (3) 30 percent of the adjusted income of a family whose annual income equals 40 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit; or

ii) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the Very Low Income family pays as contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

The parties agree that if the Project had been placed in service prior to the date of this Agreement, the 2012 maximum gross rents that would be paid by Very Low Income households pursuant to this Section 4.b. would be as set forth in the table of rents appended to the Project Management Plan (as Low HOME Rents), which is attached to the Agreement Containing Covenants as Exhibit B.

c. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

d. Rents will remain affordable to Very Low Income households pursuant to this Agreement for the term set forth in Section 1 of this Agreement.

e. The affordability requirements of this Agreement are in addition to and not in substitution for the affordability requirements set forth in that certain Agreement Containing Covenants (the "Agreement Containing Covenants") attached to the Affordable Housing Agreement as Attachment No. 12, and recorded against the Property concurrently with the Construction Financing Event.

f. Failure to comply with the affordability requirements of this Agreement or the Agreement Containing Covenants is an event of default under the terms of the HOME Loan. Pursuant to the Promissory Note by Owner evidencing the HOME Loan, subject to the right to cure, the HOME Loan will be due and payable immediately if the housing does not meet the affordability requirements of this Agreement and the Agreement Containing Covenants.

5. **Project Requirements. 24 CFR 92 Subpart F (92.250 - 92.258, 92.504(c)(3)(iii).**

Owner shall comply with all applicable requirements set forth in Subpart F of the HOME Regulations, as provided elsewhere in this Agreement and also including the following:

a. Maximum Per-Unit Subsidy. 24 CFR 92.250. The amount of the HOME loan does not exceed the per unit dollar limits established by HUD pursuant to section 221(d)(3)(ii) of the National Housing Act, as implemented in regulations issued by HUD, 24 CFR 221.514(b)(1) and (c).

b. Property Standards. 24 CFR 92.251.

(i) The development of the Property shall comply with the City's building code and all other applicable local codes, rehabilitation standards, ordinances and zoning ordinances in effect at the time of project completion, and the Property shall be decent, safe and sanitary shall conform to the following codes that have been adopted by the City of Inglewood: Uniform Building Code (UBC) as adopted by the State of California (California Building Code [Title 24 Part 2], National Electrical Code (NEC), Uniform Plumbing Code (UPC), Uniform Mechanical Code (UMC) and California Energy Code (CEC).

(ii) The Property shall comply with the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and, if applicable, the design and construction requirements at 24 CFR 100.205 for covered multifamily dwellings, as defined at 24 CFR 100.201, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

c. Rental Housing Affordability. 24 CFR 92.252. Any rent charged to a tenant shall be affordable to Very Low Income tenants as provided in Section 4, above.

d. Tenant and Participant Protections. 24 CFR 92.253. The Owner shall comply with the tenant protection provisions of 24 CFR 92.253, which are set forth in the Agreement Containing Covenants.

e. Termination of Tenancy. 24 CFR 253(c). Owner, its successors or assigns, may not terminate the tenancy or refuse to renew the lease of a tenant, except (i) for serious or repeated violation of the terms and conditions of the lease; (ii) for violation of applicable federal, state, or local law; or (iii) for other good cause. Pursuant to 24 C.F.R. 92.253(c), any termination or refusal to renew must be preceded by not less than 30 days by the Owner's service upon the tenant of a written notice specifying the grounds for the action.

f. Homeownership Requirements. 24 CFR 92.254. Not applicable to this project.

g. Converting Rental Units to Homeownership Units for Existing Tenants. 24 CFR 92.255. Not applicable to this project.

h. Faith-Based Activities. 24 CFR 92.257. Owner certifies that it will comply with all terms and provisions contained in 24 CFR 92.257. Owner further certifies that HOME funds will not be used for the acquisition, construction or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Owner shall use the HOME funds for the construction of structures only to the extent the structures are used for conducting eligible activities under 24 Code of Federal Regulations Part 92.

i. Elder Cottage Housing Opportunity Units. 24.CFR 92.258. Not applicable to this project.

6. **Property Standards. 24 CFR 92.504 (c)(3)(iv).**

a. Housing Quality Standards. Owner shall maintain the housing in compliance with applicable property standards as required by §92.251.

b. Lead-based Paint. The Project shall comply with the lead-based paint standards in §92.355. Housing assisted with HOME Program funds constitutes HUD-associated housing for the purpose of Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Section 4821, et seq.) and is, therefore, subject to 24 Code of Federal Regulations Part 35. Accordingly, and pursuant to Section 92.355 of the Regulations, the Owner hereby agrees to and shall be responsible for testing and abatement activities specified in the Lead-Based Paint Poisoning Prevention Act and the regulations set forth at 24 Code of Federal Regulations Part 25 with respect to the rehabilitation of the Property.

7. **Affirmative Marketing Requirements. 24 CFR 92.351; 92.504 (c)(3)(v).**

Owner hereby agrees to comply with the Authority's minority and women business outreach program in accordance with 24 CFR 92.504 (c)(3)(v).

8. **Records and Reports. 24 CFR 92.504(c)(3)(vi); 92.508; 92.61.**

To assist the Authority in meeting its recordkeeping and reporting requirements, Owner shall prepare, maintain and submit to the Authority, as appropriate, the following records and reports:

a. Records which demonstrate that the Property meets the property standard specified in 24 CFR 92.251 and the lead-based paint requirements of 24 CFR 92.355;

b. Records which demonstrate that each family occupying the Property is income eligible in accordance with 24 CFR 92.203;

c. Records which demonstrate that the Property meets the affordability and income targeting requirements of 24 CFR 92.252 for the Rental period. Records shall be kept for each family assisted;

d. Records which demonstrate that each lease complies with the tenant and participant protections, as specified in 24 CFR 92.253. Records shall be kept for each family;

e. Equal opportunity and fair housing records, including, as applicable:

(1) data on the extent to which each racial and ethnic group and single-headed household (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds;

(2) documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u);

(3) documentation of the actions the Authority has taken to affirmatively further fair housing;

f. Affirmative Marketing and MBE/WBE records, including, as applicable:

(1) if applicable, records documenting compliance with the affirmative marketing procedures and requirements of 24 CFR 92.351;

(2) if applicable, documentation and data on the steps taken by Owner to implement the Authority's outreach programs to minority-owned and female-owned businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of $25,000 or more paid, or to be paid, with HOME funds; the amount of the contract or subcontract, and documentation of the Owner's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services;

(3) if applicable, records which demonstrate compliance with the requirements of 24 CFR 92.353 relating to displacement, relocation and real property acquisition, including project occupancy lists identifying the name and address of all persons occupying or moving into the Property on and after the date on which Owner obtained site control;

(4) if applicable, records demonstrating compliance with the labor requirements of 24 CFR 92.354, including contract provisions and payroll records;

(5) records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355;

(6) if applicable, records which support any exceptions to the conflict of interest prohibition pursuant to 24 CFR 92.356;

(7) debarment and suspension certifications required by 24 CFR Parts 24 and 91.

g. Owner shall retain all books and records relevant to the Affordable Housing Agreement for a minimum of five years after the project completion date, except that records of individual tenant income verifications, project rents and project inspections shall be retained for the most recent five year period until five years after the affordability period terminates, or until the conclusion or resolution of any and all audits or litigation relevant to the Affordable Housing Agreement, whichever is later. The Authority, HUD and the Comptroller General of the United States, and any of their representatives, shall have the right of access to any pertinent books, documents, papers or other records of the Owner, in order to make audits, examinations, excerpts and transcripts.

h. Owner shall retain at all times the documentation submitted pursuant to 24 C.F.R. 92.203(a)(1), which provided the basis for determining income eligibility.

9. **Enforcement of the Agreement. 24 CFR 92.504(c)(3)(vii)**.

The Affordable Housing Agreement, and all of its attachments, shall be enforceable by the Authority in accordance with the terms thereof. Each of the Affordable Housing Agreement, the Agreement Containing Covenants, the HOME Note and the HOME Deed of Trust provide a means of enforcement if the Owner is in breach of its obligations hereunder and thereunder, including liens on the Property, deed restrictions and covenants running with the land. Failure to comply with the requirements of this Agreement or the Agreement Containing Covenants is an event of default under the terms of the HOME Note and the HOME Deed of Trust. The Agency will have the right to foreclose on the Property in the event of an uncured default under the terms of this Agreement or the Agreement Containing Covenants.

10. **Requests for Disbursement of Funds. 24 CFR 92.504(c)(3)(viii).**

Owner shall not request disbursement of HOME funds until the funds are needed to pay eligible costs. The amount of each disbursement request shall be limited to the amount needed. The Authority shall have the right to disapprove any request if the Authority determines the request is for an ineligible item or is otherwise not in compliance with or inconsistent with the Affordable Housing Agreement and this Agreement.

11. **Duration of Agreement. 24 CFR 92.504(c)(3)(ix).** The Agreement shall remain in effect for the period of affordability required pursuant to 92.252 as set forth in Section 1 of this Agreement.

12. **Other Program Requirements. 24 CFR 92, Subpart H (92.350 - 92.358).**

Owner shall comply with all applicable federal requirements set forth in Subpart H of the HOME regulations, including the following:

a. Other Federal Requirements and Nondiscrimination. 24 CFR 92.350. Owner acknowledges that 24 CFR 92.350 provides that the Federal requirements set forth in 24 CFR Part 5, subpart A, are applicable to participants in the HOME program, and that these Federal requirements include the following:

(i) Nondiscrimination and Equal Opportunity.

(1) Civil Rights, Fair Housing, and Age and Disability Discrimination Acts Assurances:

During the performance of the Affordable Housing Agreement, Owner assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, or religious preference, under any program or activity funded by this Agreement, as required by the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d- 2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 U.S.C. 3601-20) and all implementing regulations, and the Age Discrimination Act of 1975, and all implementing regulations.

(2) Training, Employment, and Contracting Opportunities Assurance of Compliance:

The Project Activities to be performed under the Agreement are on a project assisted under a program providing direct federal financial assistance from HUD which is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"), and the regulations issued by HUD to implement Section 3 (24 CFR Part 135) (the "Section 3 Regulations"). Pursuant to 24 CFR §135.3, the requirements of the Section 3 Regulations apply to the recipient of such financial assistance only where the amount of federal assistance exceeds $200,000, and apply to a contractor or subcontractor of such recipient only where the amount of assistance exceeds $200,000 and the amount of the contract or subcontract exceeds $100,000. Owner shall provide, to the greatest extent feasible, training, employment and contracting opportunities generated by the financial assistance to low- and very-low income persons and business concerns owned by low- or very-low income persons, or which employ low- or very-low income persons.

(3) MBE/WBE Affirmative Action Outreach Program:

Owner hereby agrees to comply with the Authority's minority and women business outreach program in accordance with Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

(ii) Disclosure Requirements. The disclosure requirements and prohibitions of 31 U.S.C. 1352 and implementing regulations at 24 CFR Part 87; and the requirements for funding competitions established by the Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 et seq.).

(iii) Debarred, Suspended or Ineligible Contractors. The prohibitions at 24 CFR Part 24 on the use of debarred, suspended or ineligible contractors.

(iv) Drug-free Workplace. The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) and HUD's implementing regulations at 24 CFR Part 24.

b. Affirmative Marketing. 24 CFR 92.351. Owner shall comply with the Authority's Affirmative Marketing requirements.

c. Displacement, Relocation and Acquisition. 24 CFR 92.353.

Owner shall cooperate with the Authority in connection with any project-specific relocation plan to be prepared by the Authority, and shall certify that, to the extent applicable, it will comply or has complied with the federal relocation, displacement and acquisition rules governing the HOME

Program, which are contained in the Uniform Relocation Act, 49 CFR Part 24, and applicable program regulations. 24 CFR Section 92.353 requires that tenants who are displaced from housing units demolished or converted as a result of HOME-funded activities be provided with relocation assistance.

d. Labor. 24 CFR 92.354. [Not applicable to this project.]

e. Lead-based Paint. 24 CFR 92.355. The Property shall comply with the lead-based paint standards in §92.355, as provided in Section 6.b., above.

f. Conflict of Interest. 24 CFR 92.356.

(1) Interest of Employees, Officers and Officials. No employee, agent, consultant, officer or elected official or appointed official of the Authority, or employee, agent, consultant or officer of Owner, and no other public official of the Authority who exercises any functions or responsibilities with respect to the activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, during their tenure and for one year thereafter, may obtain a financial interest or benefit from a HOME assisted activity or have an interest in any contract or subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties. Owner shall incorporate, or cause to be incorporated, in all such contractors or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section. Fulfillment of "sweat equity" obligations as defined in Section 8201 of the HOME regulations shall not be considered a violation of this prohibition.

(2) Prohibition Against Occupying HOME-Assisted Units. No officer, employee, agent, official or consultant of Owner may occupy the Property.

g. Consultant Activities. 24 CFR 92.358. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid for with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

13. This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

I

N WITNESS WHEREOF, the Authority and the Owner have executed this Agreement.

City

THE CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

APPROVED AS TO FORM AND LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal. P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Owner

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Attachment No. 10
to the Disposition and Affordable Housing Development Agreement

FORM OF LMIHF PROMISSORY NOTE

LMIHF PROMISSORY NOTE
(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

Up to $8,284,419 Inglewood, California

January 23, 2012

FOR VALUE RECEIVED, Grevillea Housing, L.P., a California limited partnership ("Borrower"), promises to pay to the City of Inglewood, a municipal corporation (the "City"), the principal sum of up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419), or so much as is disbursed to Borrower, plus interest thereon pursuant to Section B., below.

A. Borrower's Obligation. This LMIHF Promissory Note (the "Note") evidences the Borrower's obligation to pay the City the principal amount of up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419) (the "Loan"), for the funds loaned to the Borrower by the City to finance the acquisition and construction of the Development pursuant to that certain LMIHF Loan Agreement, between the Borrower and the City, dated as of January 23, 2012 (the "Loan Agreement"). The Inglewood Redevelopment Agency ("Agency") and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area including the implementation of certain multifamily housing projects, including, without limitation, the Development and servicing the Loan. All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

B. Interest.

(1) Interest Rate. Subject to the provisions of subsection B.(2) below, the outstanding principal balance of the Loan shall bear simple interest at the annual rate of three percent (3%) per annum commencing with the date of first disbursement.

(2) Default Rate. In the event of a Default, interest on the Loan shall begin to accrue, as of the date of Default and continuing until such time as the Loan funds are repaid in

full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

C. Term and Repayment Requirements.

(1) The term of the Loan shall commence with the date of this Note and shall expire fifty-five (55) years from the date of recordation of the Release of Construction Covenants by the City in the Official Records of Los Angeles County Recorder.

(2) Annual Payments. Subject to the terms of subsection C.(3) below, commencing on January 1, following Completion of the Development (but in no event later than January 1, 2013) and on January 1 of each year thereafter for the Term, the Borrower shall make repayments of the Loan in the amount of the City's Share of Residual Receipts as defined below. Payment of the City's Share of Residual Receipts shall be credited first against accrued interest and then against outstanding principal, and shall be accompanied by the Borrower's report of Residual Receipts (including an independent auditor's report regarding the auditor's review of Annual Operating Expenses). Each payment shall be accompanied by the City's form of Residual Receipts Report in the form attached to the Loan Agreement as Exhibit K. The Borrower shall provide the City with any documentation reasonably requested by the City to substantiate the Borrower's determination of Residual Receipts.

(3) Special Repayment from Net Proceeds of Permanent Financing. One Hundred percent (100%) of Net Proceeds of Permanent Financing shall be paid to the City as a special repayment of the Loan.

(4) Determination of Net Proceeds of Permanent Financing. The amount of the Net Proceeds of Permanent Financing shall be determined by the Borrower and submitted to the City for approval on the date the Borrower submits the final cost audit for the Development to the TCAC. The amount of the Net Proceeds of Permanent Financing shall be calculated using the actual principal amount of the permanent loans and/or grants made to Borrower, provided that Borrower provides sufficient evidence that the permanent loan is the maximum principal amount that Borrower could secure for the Development applying reasonable underwriting standards. The Borrower shall also submit to the City any additional documentation sufficient to verify the amount of the Net Proceeds of Permanent Financing. The City shall reasonably approve or disapprove Borrower's determination of the amount of the Net Proceeds of Permanent Financing in writing within sixty (60) days of the receipt of Borrower's cost audit and supplemental documentation. If Borrower's determination is disapproved by the City, Borrower shall re-submit documentation to the City until the City approval is obtained. The City's share of the Net Proceeds of Permanent Financing shall be due the City from the Borrower no later than five (5) days following the date Borrower closes the permanent financing for the Development. The City Administrator or designee is authorized to approve a reduced Special Repayment from Net Proceeds of Permanent Financing of the Loan pursuant to this subsection in the event the City Administrator or designee determines in the City Administrator or designee's sole and absolute discretion that such funds are required to pay project costs reasonably incurred by Borrower and approved by the City pursuant to the Financing Plan.

(5) Due in Full. All principal and accrued interest on the Loan shall be due in full on the earliest to occur of: (a) the date of any Transfer not authorized by the City, (b) the date of any Default, or (c) the expiration of the Term.

(6) Right to Prepay. The Borrower shall have the right to prepay the Loan at any time without premium or penalty. However, this Agreement and the City Regulatory Agreement shall remain in effect for the entire Term regardless of any prepayment.

(7) Special Definitions. The following definitions shall apply for purposes of this Note:

(a) "City's Share of Residual Receipts" shall mean fifty percent (50%) of Residual Receipts.

(b) "Annual Operating Expenses" with respect to a particular calendar year shall mean the following costs reasonably and actually incurred for operation and maintenance of the Development to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles:

(i) property taxes and assessments imposed on the Development;

(ii) debt service currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Development) on loans associated with the Scope of Development and approved by the City;

(iii) property management fees and reimbursements, not to exceed fees and reimbursements which are standard in the industry, and pursuant to a management contract approved by the City;

(iv) premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, and trash collection; maintenance and repair;

(v) any annual license or certificate of occupancy fees required for operation of the Development;

(vi) security services;

(vii) advertising and marketing;

(viii) fees for resident services in the annual amount approved by the City in the Resident Services Budget;

(ix) cash deposited into reserves for capital replacements of the Development in an amount to be approved by the City as part of the Final Financing Plan;

(x) cash deposited into an operating reserve in an amount to be approved by the City as part of the Final Financing Plan and annual operating budgets, but with the operating reserve capped at six (6) months of gross rent from the Development (as such rent may vary from time to time);

(xi) asset management fee in the amount of Fifteen Thousand Dollars ($15,000) subject to an annual adjustment not to exceed three and one half percent (3.5%);

(xii) for the first fifteen (15) years of the Term, a partnership management fee in the amount of Five Thousand Dollars ($5,000) subject to an annual adjustment not to exceed three and one half percent (3.5%);

(xiii) deferred Borrower fee in an amount to be approved by the City as part of the Final Financing Plan;

(xiv) municipal services fee paid pursuant to Section 5.2 below;

(xv) extraordinary operating costs specifically approved by the City; and

(xvi) payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves,

(xvii) reasonable accounting fees and legal fees; and

(xviii) other ordinary and reasonable operating expenses approved by the City and not listed above.

"Annual Operating Expenses" shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account.

(c) "Gross Revenue," with respect to a particular calendar year, shall mean all revenue, income, receipts, and other consideration actually received from operation and leasing of the Development. "Gross Revenue" shall include, but not be limited to:

(i) all rents, fees and charges paid by tenants, Section 8 payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income;

(ii) the proceeds of business interruption or similar insurance;

(iii) the fair market value of any goods or services provided in consideration for the leasing or other use of any portion of the Development

(iv) subject to the rights of Senior Lenders, the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Development (or applied toward the cost of recovering such proceeds); and

(v) condemnation awards for a taking of part or all of the Development for a temporary period.

"Gross Revenue" shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

(d) "Residual Receipts" in a particular calendar year shall mean the amount by which Gross Revenue (as defined above) exceeds Annual Operating Expenses (as defined above).

(e) Reports and Accounting of Residual Receipts.

(i) Audited Financial Statement. In connection with the annual payments required pursuant to subsection C. (2) of this Note, within one hundred twenty (120) days of the end of the Borrower's fiscal year, the Borrower shall furnish to the City an audited statement duly certified by an independent firm of certified public accountants approved by the City, setting forth in reasonable detail the computation and amount of Residual Receipts during the preceding calendar year.

(ii) Books and Records. The Borrower shall keep and maintain on the Property, or at its principal place of business, or elsewhere with the City's written consent, full, complete and appropriate books, records and accounts relating to the Development, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail the Borrower's calculation of Residual Receipts. Books, records and accounts relating to the Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied, and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the City, its auditors or other City authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that the Borrower may be required to furnish any governmental agency shall at all reasonable times, and upon twenty-four (24) hours notice, be open for inspection by the City at the place that the books, records and accounts of the Borrower are kept. The Borrower shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (c) below then pending.

(iii) Audits. The receipt by the City of any statement pursuant to subsection (e)(i) above or any payment by the Borrower or acceptance by the City of any loan repayment for any period shall not bind the City as to the correctness of such statement or such payment. Within three (3) years after the receipt of any such statement, the City or any designated agent or employee of the City at any time shall be entitled to audit the Residual Receipts and all books, records, and accounts pertaining thereto. Such audit shall be conducted during normal business hours at the principal place of business of the Borrower and other places where records are kept. Immediately after the completion of an audit, the City shall deliver a copy of the results of such audit to the Borrower. If it shall be determined as a result of such audit that there has been a deficiency in a loan repayment to the City, then such deficiency shall become immediately due and payable with interest at the default rate set forth in this Agreement, determined as of and accruing from the date that said payment should have been made. In addition, if the Borrower's auditor's statement for any Development fiscal year shall be found to have understated Residual Receipts by more than five percent (5%) and at least Five Thousand Dollars ($5,000), and the City is entitled to any additional Loan repayment as a result of said understatement, then the Borrower shall pay, in addition to the interest charges referenced hereinabove, all of the City's reasonable costs and expenses connected with any audit or review of the Borrower's accounts and records.

(f) Non-Recourse.

Except as provided below, the Borrower shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan. Following recordation of the Deed of Trust, the sole recourse of the City with respect to the principal of, and interest on, this Note shall be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall: (i) limit or impair the enforcement against all such security for this Note of all the rights and remedies of the City thereunder; (ii) be deemed in any way to impair the right of the City to assert the unpaid principal amount of this Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto; (iii) be deemed in any way to limit the rights of the City to obtain specific performance by the Borrower of its covenants under the Loan Documents, other than the covenants to pay the City principal and interest due under this Note. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on this Note; nothing contained herein is intended to relieve the Borrower of its obligation to indemnify the City under Sections 4.5(c), 5.6, and 8.5 of the Loan Agreement, or liability for: (1) fraud or willful misrepresentation; (2) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (3) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; and (4) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development.

D. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the City as provided in Article 5 of the Loan Agreement.

E. Security. This Note is secured by the Deed of Trust covering the Property and the Assignment of Plans from Borrower to City, dated the date of this Note.

F. Terms of Payment.

(1) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(2) All payments on this Note shall be paid to City at City Hall, Economic Development Department, One Manchester Avenue, Fourth Floor, Inglewood, California 90301 Attention: City Administrator or to such other place as the City may from time to time designate in writing.

(3) All payments on this Note shall be without expense to the City, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of the City, incurred in connection with the payment of this Note and the release of any security hereof.

(4) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the City may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

G. Default.

(1) Any of the following shall constitute an Event of Default under this Note:

(i) Any failure to pay, in full, any payment required under this Note when due following written notice by City of such failure and thirty (30) days opportunity to cure;

(ii) Any failure in the performance by the Borrower of any term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in Section 7.1 of the Loan Agreement; and

(iii) The occurrence of any Event of Default under the Loan Agreement, the Deed of Trust, or the Regulatory Agreement, or other instrument securing the

obligations of the Borrower under this Note or under any other promissory notes hereafter issued by the Borrower to the City pursuant to the Loan Agreement or the Deed of Trust, subject to notice and cure periods, if any, set forth therein.

(2) Upon the occurrence of such an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the City become immediately due and payable upon written notice by the City to the Borrower without further demand.

(3) The failure to exercise the remedy as set forth in Section 7.2(b) of the Loan Agreement or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by City hereof of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of the City, except as and to the extent otherwise provided by law.

H. Waivers.

(1) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the City may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

(2) No extension of time for payment of this Note or any installment hereof made by agreement by the City with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(3) The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

I. Miscellaneous Provisions.

(1) All notices to the City or the Borrower shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as the City and the Borrower may hereinafter designate.

(2) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by the City in the enforcement of the provision of this Note, regardless of whether suit is filed to seek enforcement.

(3) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(4) This Note shall be governed by and construed in accordance with the laws of the State of California.

(5) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(6) This document, together with the Loan Documents (as defined in the Loan Agreement), contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

BORROWER:

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

Attachment No. 11
to Disposition and Affordable Housing Development Agreement

FORM OF LMIHF DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

4021-015-018;
4021-015-019;
4021-015-020; and
4021-015-021

LMIHF DEED OF TRUST
WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT
(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

THIS LMIHF DEED OF TRUST WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Deed of Trust") is made as of January 23, 2012, by and among the Grevillea Housing, L.P., a California limited partnership ("Trustor"), First American Title Company, a California corporation ("Trustee"), and the City of Inglewood, a public body corporate and politic ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located in the City of Inglewood, County of Los Angeles, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment (except laundry equipment owned by third parties), machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and

proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (collectively, the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Article 1 below) until paid or cancelled and any other amounts owing under the Loan Documents. Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents (defined in Section 1.2 below).

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan Agreement" means that certain LMIHF Loan Agreement, between the Beneficiary and Trustor, dated as of January 23, 2012, providing for the City to loan to the Trustor an amount up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419) ("Loan" or "LMIHF Loan") for the acquisition and development of the Property. The Inglewood Redevelopment Agency, a public body, corporate and politic (the "Agency") and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area including the implementation of certain

multifamily housing projects, including, without limitation, the Development and servicing the LMIHF Loan. All capitalized terms not otherwise defined in this Deed of Trust shall have the meanings set forth in the Loan Agreement.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the LMIHF Note, the Loan Agreement, the LMIHF Regulatory Agreement, Notice of Restriction on Transfer of Property, the Assignment of Plans, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the LMIHF Promissory Note in the principal amount of up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419) of even date herewith executed by Trustor, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Notice of Affordability Restrictions" means the Notice of Affordability Restrictions on Transfer of Property between the Trustor and the Beneficiary to be recorded against the Property.

Section 1.6 The term "Regulatory Agreement" means the LMIHF Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith by and between the Beneficiary and the Trustor.

Section 1.7 The term "Senior Lenders" means lenders making loans under the Approved Financing as defined in Section 1.1 of the Loan Agreement.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

(a) The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

(b) Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien

against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file or record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

(c) Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Los Angeles County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements. Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for site access, installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, cable, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

(a) As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each resident of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as

trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each resident of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each resident therefor, delivered to each resident personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said resident to inquire further as to the existence of a default by Trustor.

(b) Trustor hereby covenants that, except to senior mortgage lenders, Trustor has not executed any prior assignment of said rents, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

(c) Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

(d) All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

(e) If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations secured by this Deed of Trust pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

(a) Trustor shall pay, or cause to be paid, at least fifteen (15) days prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (1) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (2) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (2) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

(b) In the event that Trustor shall fail to pay any of the foregoing items required by this Section 3.1 to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

(a) Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at

all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

(b) All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances. In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Beneficiary, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages. Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or in any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property ("Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition including repair or restoration in accordance with Section 5.7(b) of the Loan Agreement. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any senior mortgage lender.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property. The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses. In the event of any Event of Default (as defined below) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal. The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the LMIHF Note in the amounts and by the times set out therein.

Section 5.4 Personal Property. To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code.

Section 5.5 Financing Statement. The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the LMIHF Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security. The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security. At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts,

engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

(a) The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(b) Notwithstanding the preceding paragraph, with respect to familial status, the preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the preceding paragraph. The foregoing covenants shall run with the land and survive the termination of this Agreement.

ARTICLE 6
HAZARDOUS WASTE

Section 6.1 Hazardous Waste.

(a) Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily kept and used in and about multifamily residential property.

(b) Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (1) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (2) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (1) and (2) above hereinafter referred to a "Hazardous Materials Claims"); and (3) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (1) all foreseeable consequential damages; (2) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (3) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (1) and (2), including but not limited to reasonable attorneys' fees.

(d) Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken

(e) Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if either (1) a particular remedial action is ordered by a court of competent jurisdiction, (2) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (3) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less

impairment of Beneficiary's security hereunder; or (4) the action has been agreed to by Beneficiary.

(f) The Trustor hereby acknowledges and agrees that (1) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (2) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(g) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the rate specified in the LMIHF Note until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; or (3)

failure to make any payment or perform any of Trustor's other covenants, agreements, or obligations under any other debt instruments or regulatory agreement secured by the Property, which default shall not be cured within the times and in the manner provided therein.

Section 7.2 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and the unpaid Secured Obligation shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession. If an Event of Default shall have occurred and be continuing, the Beneficiary may:

Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Sale (as defined below) hereunder or invalidate any act done in response to such Default or pursuant to such Notice of Sale and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Los Angeles County; or

Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give notice to the Trustee (the "Notice of Sale") and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable),

and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

Upon receipt of such Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (1) the unpaid Principal amount of the LMIHF Note; (2) all other Secured Obligations owed to Beneficiary under the Loan Documents; (3) all other sums then secured hereby; and (4) the remainder, if any, to Trustor.

Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefore. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and

concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to a breach by Trustor, or a waiver of any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

If the Beneficiary (1) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (2) takes other or additional security or the payment of any sums secured hereby, (3) waives or does not exercise any right granted in the Loan Documents, (4) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (5) consents to the granting of any easement or other right affecting the Security, or (6) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security. The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other

proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver. The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments. This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee. Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full upon expiration of the term of the Regulatory Agreement, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

(a) If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

The City of Inglewood
Economic Development Department
City Hall
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

and (2) if intended for Trustor shall be addressed to:

Grevillea Housing, LP
c/o Abode Communities

701 East Third Street, Suite 400
Los Angeles, California 90013
Attn: Ms. Robin Hughes, Chief Executive Officer

(b) Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. A copy of any notice sent to Beneficiary must also be sent to the Office of the City Clerk at the above address. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors. Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage. Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions. Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions. Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Property encumbered by this Deed of Trust, the following rule contained in 26 U.S.C. Section 42(h)(6)(E)(ii), as amended, shall apply:

(a) For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Internal Revenue Code.

[Signature Page Follows]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date of notarization shown on the notary acknowledgement which follows.

TRUSTOR:

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

EXHIBIT A
Legal Description

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

ATTACHMENT NO. 12
to Disposition and Affordable Housing Development Agreement

AGREEMENT CONTAINING COVENANTS

When Recorded Return to:
CITY OF INGLEWOOD
One Manchester Boulevard
Inglewood, CA 90301
Attn: City Administrator

SPACE ABOVE THIS LINE FOR RECORDING USE

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

AGREEMENT CONTAINING COVENANTS
(100 East Nutwood Street)

THIS AGREEMENT CONTAINING COVENANTS (the "Agreement") is entered into as of January 23, 2012, by and between GREVILLEA HOUSING, a California limited partnership ("Developer"), and the CITY OF INGLEWOOD, a municipal corporation ("City").

WHEREAS, Developer is the owner of that certain real property (the "Property") located in the City of Inglewood more particularly described in Exhibit "A" which is attached hereto and incorporated herein by this reference; and

WHEREAS, for the purpose of providing housing that will be affordable to Very Low Income, Low Income Households and Low Income Households, the Developer and City have entered into that certain Disposition and Affordable Housing Development Agreement, dated as of January 23, 2012 (the "Affordable Housing Agreement") to which this Agreement is attached as Attachment No. 12, which is incorporated herein by this reference (any capitalized term that is not otherwise defined in this Agreement shall have the meaning ascribed to such term in the Affordable Housing Agreement); and

WHEREAS, pursuant to the Affordable Housing Agreement, the City is providing financial assistance to Developer to assist in the acquisition and development of the Property, using Low and Low Income Housing Funds made available to the City by the Inglewood Redevelopment Agency; and

WHEREAS, the Developer has obtained an allocation of Low Income Housing Tax Credits pursuant to the Tax Reform Act of 1986, as amended, and governed by Section 42 of Internal Revenue Code (the "Tax Credits"); and

WHEREAS, the Affordable Housing Agreement contains certain provisions relating to the use of the Property.

NOW, THEREFORE, AUTHORITY AND DEVELOPER COVENANT AND AGREE AS FOLLOWS:

1. Maximum Incomes.

a. Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Developer, its successors and assignees shall use the Property exclusively to provide affordable housing for a wide range of persons and families of Very Low Income, Low Income, and Low Income, subject to all of the terms and conditions of this Agreement, except for one three-bedroom unit designated as the management unit for the on-site manager. The remaining 61 units shall be allocated as follows:

(1) Very Low Income Units. Fifty Three (53) units shall be rented exclusively to Very Low Income households at an Affordable Rent as provided in California Health and Safety Code Section 50053, consisting of the following:

(i) Thirty Percent (30%) Median. Seven (7) Units, including two (2) two-bedroom Units and five (5) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households at Thirty Percent (30%) Median Income.

(ii) Forty Percent (40%) Median. Seven (7) Units, including three (3) two-bedroom Units and four (4) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households at Forty Percent (40%) Median Income.

(iii) Forty Five Percent (45%) Median. Thirty Nine (39) Units, including twenty seven (27) two-bedroom Units and twelve (12) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households at Forty Five Percent (45%) Median Income.

(2) Lower Income Units (Sixty Percent (60%) Median). Eight (8) units shall be rented exclusively to Low Income households at an Affordable Rent as provided in California Health and Safety Code Section 50053, consisting of the following: Eight (8) Units, including three (3) two-bedroom Units and five (5) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Lower Income Households at Sixty Percent (60%) Median Income.

b. The maximum incomes of eligible tenants shall be determined on the basis of the income limits for Very Low Income and Low Income households in the Los Angeles-

Long Beach SMSA, published approximately annually by the California Department of Housing and Community Development ("HCD"). If HCD discontinues publishing such income limits, the term "Very Low Income" shall mean a household income that does not exceed 50% of the area median income, adjusted for family size and the term "Low Income" shall mean a household income that does not exceed 120% of the area median income, adjusted for family size. For the term of the Tax Credits, in no case shall household income exceed applicable Tax Credit income limits.

2. Maximum Rents.

a. Any rents charged to a tenant shall not exceed rents that are affordable to Very Low Income and Low Income Households, as applicable, (as "Affordable Rent" is defined below). The maximum rents, including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by Very Low Income and Low Income Households shall be the lower of the maximum rent permitted to be charged pursuant to Tax Credit requirements for so long as such requirements are applicable or the maximum rent for the applicable income level as set forth below:

(i) In the case of any Very Low Income Household, the maximum rent shall be a rent that does not exceed 30 percent of fifty (50%) percent of the area median income adjusted for household size appropriate to the unit, as determined by the California Department of Housing and Community Development.

(ii) In the case of any Low Income Household, the maximum rent shall be a rent that does not exceed 30 percent of sixty (60%) percent of the area median income adjusted for household size appropriate to the unit, as determined by the California Department of Housing and Community Development.

b. This requirement shall continue in effect for the Term of this Agreement.

c. Failure to comply with the affordability requirements of this Agreement following notice from the City and an opportunity to cure such failure is an event of default under the terms of the LMIHF Loan. Pursuant to the Promissory Note evidencing the LMIHF Loan (attached to the Affordable Housing Agreement as Attachment No. 10), subject to the right to cure, the LMIHF Loan will be due and payable immediately if the housing does not meet the affordability requirements of this Agreement.

d. Upon request, the City Administrator shall notify Developer of the maximum rents that may be charged (not to exceed "Affordable Rent") and the maximum income of persons who are eligible to occupy the Property, based on the then-current area median income. In no event shall rents exceed the maximum rent permitted by the tax credit regulations or (with regard to the breakdown of units set forth in Section 1(a) hereof) the rules applicable to the use of Low and Moderate Income Housing Fund moneys, whichever is the lowest.

3. Developer, its successors and assigns shall not charge rents in excess of the amounts determined as set forth in Section 2. In the event that the Developer has charged a tenant rent in

excess of the amount set forth herein, Developer shall immediately reimburse the tenant the amount of overpayment, with interest, from the date of rental payment, at the highest non-usurious rate of interest permitted by law, within ten (10) days of such determination. Developer may revise rents not more than once annually (except in the event that (i) the California Tax Credit Allocation Committee or the California Department of Housing and Community Development establish higher or lower rents more than once annually or (ii) the utility allowance for the Property either increases or decreases, and provided that in any event, such rent revisions must conform to the terms of the unit leases and applicable law, including but not limited to landlord-tenant law), subject to any applicable rent control ordinance then in effect, but in no event shall rent be greater than the rent permitted by the adjusted rent limits.

4. Developer shall adopt written selection policies and criteria that meet the following requirements:

a. Are consistent with the purpose of providing housing for Very Low and Low Income households.

b. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease.

c. Give reasonable consideration to the housing needs of persons that would have a preference under 42 CFR §906.211 (Federal selection preferences for admission to Public Housing);

d. Provide for:

(i) The selection of otherwise eligible tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

(ii) The prompt written notification to any rejected applicant of the grounds for any rejection;

e. Provide first priority in the selection of otherwise eligible tenants to persons displaced by the City; and

f. Carry out the Affirmative Marketing procedures of the City of Inglewood, to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. Developer and City shall cooperate to effectuate this provision during the Developer's initial lease-up of the Property and as vacancies occur.

5. Developer, its successors and assigns, shall not refuse to accept for occupancy an otherwise eligible household that is a holder of a certificate or voucher under 24 CFR part 982-Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document.

6. This Section shall govern in the event of increases in tenant incomes: (a) A tenant who initially qualified as a Very Low Income Household, but who, due to an increase in income, no longer qualifies as a Very Low Income Household but does qualify as a Low Income Household, shall pay as rent an amount that is Affordable Rent to a Low Income Household, as defined in Section 2 above; and (b) a tenant who initially qualified as a Very Low Income or a Low Income Household, but who, due to an increase in income, no longer qualifies as either a Very Low Income or a Low Income Household, shall pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted income.

7. Any lease must provide for housing for not less than one year, unless by mutual agreement between the tenant and the Developer. The lease may not contain any of the following provisions (in which references to "owner" shall mean the Developer, its successors or assigns):

a. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

b. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;

c. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

d. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

e. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

f. Agreement by the tenant to waive any right to a trial by jury;

g. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the tenant housing agreement; and

h. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

8. Developer, its successors or assigns, may not terminate a lease or refuse to renew the lease of a tenant, except for: serious or repeated violation of the terms and conditions of the lease; violation of applicable federal, state, or local law; or other good cause. Any termination or

refusal to renew must be provided by Developer's service upon the tenant of a written notice specifying the grounds for the action in the time and manner proscribed by law.

9. The Developer shall maintain the improvements on the Property in compliance with all applicable housing quality standards and local code requirements, and shall keep the Property free from any unreasonable accumulation of debris or waste materials. Prior to the recordation of this Agreement, Developer prepared and submitted to the City Administrator of the City for approval a program (the "Maintenance Program") for the maintenance of the Property and the Improvements (as described in the Agreement). For the Term of this Agreement, Developer, and its successors and assigns, shall maintain the Property and the Improvements in accordance with the approved Maintenance Program, as the same may be amended from time to time with the written approval of the City Administrator of the City. In the event Developer fails to maintain the Property and the Improvements in accordance with the approved Maintenance Program, the City shall have the right, but not the obligation, to enter the Property and the Improvements, correct any violation, and hold the Developer responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

10. The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, national origin, religion or sex in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property.

11. Prior to the recordation of this Agreement, Developer prepared and submitted to the City Administrator for approval a Management Plan pursuant to Section 5.1 of the Affordable Housing Agreement, describing Developer's proposed plans for managing and operating the Property, a copy of which is attached to this Agreement as Exhibit "B". For the Term of this Agreement, Developer shall manage and operate the Property in accordance with the approved Management Plan, including such amendments as may be approved in writing from time to time by the Developer and the City Administrator. In accordance with the Management Plan, the Developer shall submit:

a. On or before the first day of each fiscal year, an estimated annual budget for management of the Property (the "Annual Project Budget"). The Annual Project Budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amount required for insurance and all other expenses incident to the operation of the Project; and shall show the expected revenues to pay such expenses, including annual debt service requirements and reserve fund deposits and balances. The Annual Project Budget, including any amendments proposed by the Developer, shall be subject to the approval of the City Administrator.

b. Sixty (60) days following the last day of each quarter of the fiscal year, beginning on the date of first occupancy, a quarterly report for the management of the Property

(the "Quarterly Report") during such quarter. The Quarterly Report shall include a profit and loss statement, budget to date figures, and occupancy report. The City Administrator in his sole discretion may waive the requirement of the Quarterly Report for one or more quarterly reporting periods. However, such waiver shall not operate to waive any future right of the City to require a subsequent Quarterly Report. If at any time the City determines that the Property is not being managed or maintained in accordance with the approved Management Plan, Developer shall change its management personnel or the practices complained of, upon receipt of written notice from the City.

12. The covenants established in this Agreement and any amendments hereto approved by the City and the Developer shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City, its successors and assigns, and the City of Inglewood. The requirements of this Agreement shall remain in effect for the longest feasible time, but not less than fifty-six (56) years from the issuance of the permanent certificate of occupancy for the Project (the "Term").

13. (a) The City and the City are deemed beneficiaries of the terms and provisions of this Agreement and the covenants herein, both for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. The City shall have the right if the covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants are entitled.

(b) In addition, this Agreement shall be deemed a contract enforceable by, and shall inure to the benefit of, the parties identified in paragraph (7) of subdivision (f) of California Health & Safety Code section 33334.3, as amended from time to time, as third-party beneficiaries hereof.

14. The covenants and agreements contained herein shall run with the land and not be personal obligations of the Developer. Upon the sale, conveyance or other transfer of the Property approved by the City or otherwise permitted under the Affordable Housing Agreement, the City Note and Deed of Trust (a "Transfer") and the assumption of the obligations hereunder by a transferee, the Developer's liability for performance shall be terminated as to any obligation to be performed hereunder after the date of such Transfer.

15. This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

IN WITNESS WHEREOF, the City and the Developer have executed this Agreement.

City

THE CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

APPROVED AS TO FORM AND LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal. P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

Owner

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By: _____
Robin Hughes
Chief Executive Officer

State of California)

County of Los Angeles)

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

State of California)

County of Los Angeles)

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

Exhibit A

LEGAL DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Exhibit "B"

MANAGEMENT PLAN

[BEHIND THIS PAGE]

Attachment No. 14
to Disposition and Affordable Housing Development Agreement

ASSIGNMENT OF AGREEMENTS

FOR VALUE RECEIVED, the undersigned, GREVILLEA HOUSING, LP, a California limited partnership ("Borrower"), assigns to the CITY OF INGLEWOOD ("City"), all of its right, title and interest in and to:

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, "Architectural Agreements"); and

2. All plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively "Plans and Specifications")

heretofore or hereafter into or prepared by any architect, engineer or other person or entity (collectively "Architect"), for or on behalf of Borrower in connection with the construction of the Improvements. The Plans and Specifications, as of the date hereof, are those which Borrower has heretofore, or will hereafter deliver to City. The Architectural Agreements include, but are not limited to, the architectural contract between Borrower and [INSERT NAME AND ADDRESS OF PROFESSIONAL]

This ASSIGNMENT OF AGREEMENT AND PLANS AND SPECIFICATION ("Assignment") constitutes a present and absolute assignment to City as of the Effective Date, subordinate to the rights of _____ ("Construction Lender"); provided, however, City confers upon Borrower the right to enforce the terms of the Architectural Agreements and Borrower's rights to the Plans and Specifications so long as no Default or event which would constitute a Default after notice or the passage of time, or both, has occurred and is continuing under the Disposition and Affordable Housing Development Agreement dated as of January 23, 2012, between City and Borrower ("Owner" therein) (the "Affordable Housing Agreement"), as well as any future amendments and implementation agreements between Borrower and City which refer to this Assignment. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Affordable Housing Agreement. Upon the occurrence of a Default or event which would constitute a Default after notice or the passage of time, or both, under the Affordable Housing Agreement, City may, in its sole discretion, give notice to Architect of its intent to enforce the rights of Borrower under the Architect Agreements and of its rights to the Plans and Specifications and may initiate or participate in any legal proceedings respecting the enforcement of said rights. Borrower acknowledges that by accepting this Assignment, City does not assume any of Borrower's obligations under the Architectural Agreements or with respect to the Plans and Specifications.

Borrower represents and warrants to City, as of the Effective Date, that: (a) all Architectural Agreements entered into by Borrower are in full force and effect and are enforceable in accordance with their terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to said Architectural Agreements; (b) all copies of the Architectural Agreements and Plans and Specifications delivered to City are complete and correct; and (c) Borrower

has not assigned any of its rights under the Architectural Agreements or with respect to the Plans and Specifications.

Borrower agrees: (a) to pay and perform all obligations of Borrower under the Architectural Agreements; (b) to enforce the payment and performance of all obligations of any other person or entity under the Architectural Agreements; (c) not to modify the existing Architectural Agreements nor to enter into any future Architectural Agreements without City's prior written approval except as otherwise may be permitted in the Affordable Housing Agreement; and (d) not to further assign (other than assignment in connection with a loan from the Construction Lender), for security or any other purposes, its rights under the Architectural Agreements or with respect to the Plans and Specifications with City's prior written consent.

This Assignment secures performance by Borrower of all obligations of Borrower under the Affordable Housing Agreement. This Assignment is supplemented by the provisions of the Affordable Housing Agreement and said provisions are incorporated herein by reference.

This Assignment shall be governed by the laws of the State of California, except to the extent that Federal laws preempt the laws of the State of California, and Borrower consents to the jurisdiction of any Federal or State Court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorney's fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Borrower and City; provided, however, this shall not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Borrower contained in any of the Affordable Housing Agreement.

The attached Architect's Consent, Schedule 1 and Exhibit A are incorporated by reference. Executed as of January 23, 2012.

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

ARCHITECT'S CONSENT

The undersigned architect ("Architect") hereby consents to the foregoing Assignment to which this Architect's Consent ("Consent") is part, and acknowledges that there presently exists no unpaid claims due to the Architect except as set forth on Schedule 1 attached hereto, arising out of the preparation and delivery of the Plans and Specifications to Borrower and/or the performance of the Architect's obligations under the Assignment.

Architect agrees that if, at any time, City shall become the owner of said Property, or, pursuant to its rights under the Affordable Housing Agreement, elects to undertake or cause the completion of construction of the Improvements on any portion of the Property, in accordance with the Plans and Specifications, and gives Architect written notice of such election; THEN, so long as Architect has received, receives or continues to receive the compensation called for under the Agreements, City may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Agreements for the benefit and account of City in the same manner as if performed for the benefit or account of Borrower in the absence of the Assignment.

Architect further agrees that, in the event of a breach by Borrower of the Agreements, or any agreement entered into with Architect in connection with the Plans and Specifications, so long as Borrower's interest in the Agreements and Plans and Specifications is assigned to City, Architect will give written notice to City of such breach at the address shown below. City shall have thirty (30) days from the receipt of such written notice of default to remedy or cure said default. Nothing herein shall require City to cure said default or to undertake completion of construction of the Improvements.

Architect warrants and represents that it/he has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

Executed as of January 23, 2012.

[INSERT SIGNATURE BLOCK FOR PROFESSIONAL]

City's Address:
The City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Assignment of Architectural Agreements and Plans and Specifications dated as of January 23, 2012 between GREVILLEA HOUSING, L.P., a California limited partnership as Borrower, and the CITY OF INGLEWOOD, as City.

NONE

PROPERTY DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

ATTACHMENT NO. 15
to the Disposition and Affordable Housing Development Agreement

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of January 23, 2012, made by GREVILLEA HOUSING, LP, a California limited partnership (referred to as "Borrower") and ABODE COMMUNITIES, INC., a California nonprofit public benefit corporation, whose address for purposes of giving notices is care of Abode Communities, 701 East Third Street, Suite 400, Los Angeles, California 90013, with a copy to Bocarsly Emden Cowan Esmail & Arndt LLP, 633 West Fifth Street, 70th Floor, Los Angeles, California 90071, in favor of the CITY OF INGLEWOOD, whose address for purposes of giving notices is One Manchester Avenue, Fourth Floor, Inglewood, California 90301 (the "City").

WITNESSETH

WHEREAS, Borrower is the owner of the real property in the City of Inglewood, as more particularly described on Exhibit A attached hereto and made a part hereof, and the real property improvements thereon (collectively referred to as the "Property");

WHEREAS, Borrower and the City, entered into that certain Disposition and Affordable Housing Development Agreement, dated as of January 23, 2012 (the "Affordable Housing Agreement"), pursuant to which the City agreed to provide financing (the "Loan") to Borrower for the purposes of constructing a 62-unit housing project thereon (the Affordable Housing Agreement and the documents and instruments referred to therein which are being executed by Borrower concurrently herewith are referred to collectively as the "Loan Documents");

WHEREAS, prior to entering into the Affordable Housing Agreement, Borrower was fee owner of the Property and conveyed the Property pursuant to a Property Acquisition Agreement and Joint Escrow Instructions dated December 22, 2011 ("Acquisition Agreement"); pursuant to the Acquisition Agreement, Borrower agreed to indemnify the City; and

WHEREAS, Borrower has agreed to execute and deliver to the City this Indemnity to induce the City to make the Loan.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual agreements hereinafter set forth, Borrower hereby agrees with the City as follows:

Section 1. DEFINITIONS

For the purpose of this Indemnity, "Hazardous Materials" or "Hazardous Substances" shall include, but not be limited to, substances defined as "extremely hazardous substances," "hazardous substances," "hazardous materials," "hazardous waste" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 11001-11050; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901,

et seq.; and those substances defined as "hazardous waste" in Section 25117 of the California Health and Safety Code, as "infectious waste" in Section 25117.5 of the California Health and Safety Code, or as "hazardous substances" in Section 25316 of the California Health and Safety Code or "hazardous materials" as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws. Other capitalized terms used in this Indemnity shall have the meanings ascribed to them in the Affordable Housing Agreement with the same force and effect as if set forth in full below.

Section 2. COVENANTS AND INDEMNITY

The following covenants, and indemnities are hereby given and made by Borrower:

2.1 Covenants.

(a) Borrower covenants that it shall comply with any and all laws, regulations, and/or orders which may be promulgated, from time to time, with respect to the discharge and/or removal of Hazardous Materials, to pay immediately when due the costs of the removal of, or any other action required by law with respect to, any such Hazardous Materials, and to keep the Property free of any lien imposed pursuant to any such laws, regulations, or orders.

(b) Borrower covenants that the Property will not, while Borrower is the owner thereof, be used for any activities involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials, except for de minimis quantities used at the Property in compliance with all applicable environmental laws and required in connection with the routine operation and maintenance of the Property.

(c) Borrower further agrees that Borrower shall not release or dispose of any Hazardous Materials at the Property without the express written approval of the City and that any such release or disposal shall be effected in strict compliance with all applicable laws and all conditions, if any, established by the City.

(d) The City shall have the right, at any time, to conduct an environmental audit of the Property at the City's expense, unless Hazardous Materials are found, then at Borrower's sole cost and expense, and Borrower shall cause Borrower to cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless the City believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has been given to Borrower and only in the presence of a representative of Borrower. Borrower shall give the City and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

(e) Borrower shall not install, or permit to be installed, on the Property friable asbestos or any substance containing asbestos and deemed hazardous by federal or state regulations respecting such material, and, with respect to any such material currently present in the Property, Borrower shall promptly either (i) remove or cause to be removed any material that such regulations deem hazardous and require to be removed, or (ii) otherwise comply with such federal and state regulations, at Borrower's sole cost and expense. If Borrower shall fail to so do

within the cure period permitted under applicable law, regulation, or order, the City may do whatever is necessary to eliminate said substances from the premises or to otherwise comply with the applicable law, regulation, or order, and the costs thereof shall be added to the Obligations (as hereinafter defined) of Borrower under this Section 2.

(f) Borrower shall immediately advise the City in writing of any of the following: (i) any pending or threatened environmental claim against Borrower or the Property, (ii) any condition or occurrence on the Property that (A) results in noncompliance by Borrower with any applicable environmental law, (B) could reasonably be anticipated to cause the Property to be subject to any restrictions on the ownership, occupancy, use or transferability of the Property under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Property or Borrower.

2.2 Indemnity. Borrower shall indemnify, protect, and hold the City harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the Obligations) which may at any time be imposed upon, incurred by or asserted or awarded against the City and arising from or out of:

(a) The presence of any Hazardous Materials on, in, under, or affecting all or any portion of the Property or any surrounding areas;

(b) The breach of any covenant made by Borrower in Section 2.1 hereof;

(c) The enforcement by the City of any of the provisions of this Section 2.2 or the assertion by Borrower of any defense to its obligations hereunder;

(d) Asbestos and Asbestos Containing Materials

(1) Asbestos Abatement Obligation. The Due Diligence Materials provided by the Borrower in the Acquisition Agreement disclosed the presence of asbestos and asbestos containing materials on the Property. Borrower assumes all obligations with respect to any such asbestos and asbestos containing materials currently present on, about, around, or in the Property and any structures thereon and shall indemnify, protect, and hold the City harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever. The Borrower shall be responsible for the removal of any and all asbestos abatement activity required by applicable local, State or Federal law and shall be solely and exclusively responsible for payment of all costs, liabilities and expenses in connection with the handling, management, remediation, clean-up and abatement of the all asbestos and asbestos containing materials currently present on, about, around, or in the Property and any structures thereon.

(2) Development of Property without Borrower. Borrower agreed under the Acquisition Agreement to develop an affordable housing project on the Property and entered into the HOME Agreement in connection therewith. In the event Borrower's proposal to develop the Property does not result in a development completed by Borrower or Borrower's partner(s) (including the sole member of the Borrower's general partner, collectively "Partners"), then the City agrees to accept the sum of up to Two Hundred Fifty Five Thousand Dollars ($255,000) ("Departure Buyout") from the Borrower in exchange for the termination of the Asbestos Abatement Obligation. The Departure Buyout shall be payable by Borrower and its Partners to City, its successors, or assigns or as set out under the terms of this subsection. In the event Borrower wishes to avail itself of the provisions to terminate the surviving terms of this Agreement set out in the prior sentence, Borrower shall be and remain obligated to pay all costs and out of pocket expenses actually incurred by City and its selected contractors concerning the Asbestos Abatement Obligation in connection with the remediation of any asbestos containing materials on the Property (the "Remediation") up to a maximum amount of the Departure Buyout. Borrower's and its Partners' payment obligation under this subsection shall be conditioned upon City providing responsible evidence to Borrower that (i) City solicited at least three (3) bids associated with the Remediation under City's standard practice for public contracting, or such practice then in place by City's successors or assigns, (ii) the contractor selected for the Remediation shall be the lowest responsible bid satisfactory to City, its successor or assign and meet City's statutory requirements under public contracting, or such practice then in place by City's successor or assigns, and (iii) payment shall be made by Borrower or its Partners upon delivery to Borrower or its Partners of reasonable evidence documenting the such costs and expenses under the terms of the accepted bid or otherwise concerning the Remediation. The provisions of this subsection are only available to Borrower if there is no development under the terms of the Affordable Housing Agreement, or otherwise, by Borrower or any of Borrower's Partners regarding the Property. Under no circumstances may the provisions of this paragraph be interpreted to limit or diminish or compromise the ongoing indemnification and obligations of the Borrower other than under the circumstance of the cessation of the Borrower's involvement in the Property as a developer as contained and detailed hereinabove. By signing this Indemnification, Borrower, its Partners, specifically, its general partner, Grevillea Housing GP LLC, a California limited liability company, and Abode Communities, a California nonprofit public benefit corporation, ("Abode Group") agree to remain jointly and severally liable for the payment obligation due City, its successors, or assigns, under the terms of this subsection. The Abode Group further acknowledges and agrees the funding for this Agreement is pursuant to certain federal funding, including, but not limited to HOME Program funding, and events arising under this subsection would constitute a settlement of obligation; any attempt by the Abode Group to avoid the payment obligations under these circumstances are heretofore conclusively agreed upon by City and Borrower to constitute fraud, deceit, or manipulation in connection with the purchase and sale of a security given in exchange for federal funds and cannot be discharged under 11 U.S.C. §523, including, but not limited to 11 U.S.C. §523(a)(19).

Subject to the qualifications set forth in Section 2.3, below, Borrower shall be liable for payment and performance of the Obligations to the full extent (but only to the extent) of the property and assets (including the Property) which constitute security for such Obligations. If default occurs in the timely and proper payment and performance of any such Obligations, any judicial

proceedings brought by the City against Borrower shall be limited to the protection and preservation of the Property, the preservation, enforcement and foreclosure of the liens, mortgages, assignments, rights and security interests securing such Obligations and enforcement and collection of such Obligations for which Borrower remains directly liable as provided in this Section. If there is a foreclosure of any such liens, mortgages, assignments, rights and security interests by power of sale or otherwise, no personal judgment for any deficiency thereon shall be sought or obtained by the City against Borrower, or its officers, directors, agents, attorneys, servants or employees.

2.3 Exceptions to Non-Recourse Liability. Notwithstanding the foregoing provisions of Section 2.2 or any other agreements,

(a) the City may proceed against any other person or entity whatsoever with respect to the enforcement of any guarantees, surety bonds, letters of credit, reimbursement agreements or similar rights to payment or performance; and

(b) The City may recover personally from any person or entity:

(1) any damages, costs and expenses incurred by the City as a result of the negligence of such person or entity, involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials (other than Pre-existing Hazardous Materials) by such person or entity or by others; provided, however, that neither Borrower nor any officer, director, agent, attorney, servant or employee of Borrower shall have any personal liability if the act or omission complained of was performed in good faith and was not reckless, wanton, intentional or grossly negligent;

(2) any damages, costs and expenses incurred by City as a result of fraud or any criminal act or acts of Borrower or any partner, shareholder, officer, director or employee of Borrower, or of any general or limited partner of Borrower;

(3) any damages, costs and expenses incurred by City as a result of any misappropriation of funds provided for the construction of the Project, as described in the Affordable Housing Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and

(4) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that City shall pay Borrower's reasonable court costs and attorneys' fees if Borrower is the prevailing party in any such enforcement or collection action).

Section 3. BORROWER'S UNCONDITIONAL OBLIGATIONS

3.1 Unconditional Obligations. Borrower hereby agrees that the Obligations will be paid and performed strictly in accordance with the terms of this Indemnity, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any of the Loan

Documents or affecting any of the rights of the City with respect thereto. The obligations of Borrower hereunder shall be absolute and unconditional irrespective of:

(a) The validity, regularity, or enforceability of the Loan Documents or any other instrument or document executed or delivered in connection therewith;

(b) Any alteration, amendment, modification, release, termination, or cancellation of any of the Loan Documents, or any change in the time, manner, or place of payment of, or in any other term in respect of, all or any of the obligations of Borrower contained in any of the Loan Documents;

(c) Any extension of the maturity of the Loan or any waiver of, or consent to any departure from, any provision contained in any of the Loan Documents;

(d) Any exculpatory provision in any of the Loan Documents limiting the City's recourse to property encumbered by the Deed of Trust securing the Loan, or to any other security, or limiting the City's rights to a deficiency judgment against Borrower;

(e) Any exchange, addition, subordination, or release of, or nonperfection of any lien on or security interest in, any collateral for the Loan, or any release, amendment, waiver of, or consent to any departure from any provision of, any other Borrower or guarantee given in respect of the Loan;

(f) The insolvency or bankruptcy of Borrower, Borrower, or of any indemnitor or guarantor under any other indemnity or guarantee given in respect of the Loan; or

(g) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Borrower, Borrower, or any other indemnitor or guarantor with respect to the Loan or any or all of the Obligations.

3.2 Continuation. This Indemnity (a) is a continuing indemnity and shall remain in full force and effect until the satisfaction in full of all of the Obligations (notwithstanding the payment in full of the Loan or the release or other extinguishment of the Loan Mortgage, or any other security for the Loan); and (b) shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the City upon the insolvency, bankruptcy, or reorganization of Borrower, Borrower or otherwise, all as though such payment had not been made.

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Borrower's obligations under the Loan Documents, this Indemnity shall not terminate if any of the following shall have occurred:

(a) The City has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment

of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

(b) There has been a change, between the date hereof and the date on which all of the Obligations are paid and performed in full, in any Hazardous Materials laws, the effect of which may be to make a lender or mortgagee liable in respect of any of the Obligations, notwithstanding the fact that no event, circumstance, or condition of the nature described in paragraph (a) above ever occurred.

Section 4. WAIVER

Borrower hereby waives the following:

(a) Promptness and diligence;

(b) Notice of acceptance and notice of the incurrence of any obligation by Borrower;

(c) Notice of any action taken by the City, Borrower, or any other interested party under any Loan Document or under any other agreement or instrument relating thereto;

(d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Borrower of its Obligations hereunder;

(e) The right to a trial by jury with respect to any dispute arising under, or relating to, this Indemnity;

(f) Any requirement that the City protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto;

(g) Any requirement that the City exhaust any right or take any action against Borrower or any other person or collateral; and

(h) Any defense that may arise by reason of:

(1) The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons;

(2) The failure of the City to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons; or

(3) Any defense based upon an election of remedies by the City, including, without limitation, an election to proceed by nonjudicial foreclosure or which destroys or otherwise impairs the subrogation rights of Borrower or any other right of Borrower to proceed against Borrower.

Section 5. NOTICES

Any notice, demand, statement, request, or consent made hereunder shall be in writing and shall be personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by telecopier to the telecopier numbers stated below, with confirmations mailed by first class registered mail, return receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the parties hereto, shall designate in writing):

To City:	CITY OF INGLEWOOD c/o Economic Development Department Attn: Mr. Artie Fields One Manchester Boulevard, Ninth Floor Inglewood, California 90301
With a copy to:	Office of the City Attorney One Manchester Boulevard, Eighth Floor Inglewood, California 90301 Attn: Cal P. Saunders, Esq.
With a copy to:	Kane, Ballmer & Berkman 515 South Figueroa Street, Suite 1850 Los Angeles, California 90071 Attn: Royce Jones, Esq. and Gustavo Lamanna, Esq. Facsimile No.: (213) 625-0931
To Borrower:	Abode Communities 701 East Third Street, Suite 400 Los Angeles, California 90013 Attn: Ms. Robin Hughes, Chief Executive Officer Facsimile No.: (213) 225-2709
With a copy to:	Bocarsly Emden Cowan Esmail & Arndt LLP 633 West Fifth Street, 70th Floor Los Angeles, California 90071 Attn: Lance Bocarsly, Esq. Facsimile No.: (213) 239-0410

Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

Section 6. MISCELLANEOUS

6.1 Borrower shall make any payment required to be made hereunder in lawful money of the United States of America, and in same day funds, to the City at its address specified in the first paragraph hereof.

6.2 No amendment of any provision of this Indemnity shall be effective unless it is in writing and signed by Borrower and the City, and no waiver of any provision of this Indemnity, and no consent to any departure by Borrower from any provision of this Indemnity, shall be effective unless it is in writing and signed by the City, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 No failure on the part of the City to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the City provided herein and in the other Loan Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the City under any Loan Document against any party thereto are not conditional or contingent on any attempt by the City to exercise any of its rights under any other Loan Document against such party or against any other person or collateral.

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 This Indemnity shall (a) be binding upon Borrower, and Borrower's successors and assigns; and (b) inure, together with all rights and remedies of the City hereunder, to the benefit of the City, its respective directors, officers, employees, and agents, any successors to the City's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of the City's rights and remedies under the Loan Documents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. Without limiting the generality of clause (b) of the immediately preceding sentence, the City may, subject to, and in accordance with, the provisions of the Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under any other Loan Document, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to the City herein or otherwise. None of the rights or obligations of Borrower hereunder may be assigned or otherwise transferred without the prior written consent of the City.

6.6 Borrower hereby (a) irrevocably submits to the jurisdiction of any California or federal court sitting, in each instance, in Los Angeles County in any action or proceeding arising out of or relating to this Indemnity, (b) waives any defense based on doctrines of venue or forum non convenient or similar rules or doctrines, and (c) irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such California or federal court. Borrower irrevocably consents to the service of any and all process which may be required

or permitted in any such action or proceeding to the address specified in the first paragraph of this Indemnity, above. Borrower agrees that a final judgment in any such action or proceeding shall be inclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.7 The title of this document and the captions used herein are inserted only as a matter of convenience and for reference and shall in no way define, limit, or describe the scope or the intent of this Indemnity or any of the provisions hereof.

6.8 This Indemnity shall be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed therein, except to the extent that the laws of the United States preempt the laws of the State of California.

6.9 This Indemnity may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Indemnity as of the date first set forth above.

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

ABODE COMMUNITIES,
a California nonprofit public
benefit corporation

By:_____
Robin Hughes
Chief Executive Officer

Exhibit A
to Environmental Indemnity

LEGAL DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

ATTACHMENT NO. 16
to Disposition and Affordable Housing Development Agreement

UCC-1 FINANCING STATEMENT
WITH ATTACHMENTS FOR COLLATERAL AND LEGAL DESCRIPTIONS

[SEE ATTACHED]

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Royce K. Jones, Esq. (213) 617-0480

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

THE CITY OF INGLEWOOD
ECONOMIC DEVELOPMENT DEPARTMENT
One Manchester Avenue, Fourth Floor
Inglewood, California 90301

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

1a. ORGANIZATION'S NAME
GREVILLEA HOUSING, LP

OR

1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 East Third Street, Suite 400 | CITY: Los Angeles | STATE: CA | POSTAL CODE: 90013 | COUNTRY

[redacted] | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: Ltd Partnership | 1f. JURISDICTION OF ORGANIZATION: California | 1g. ORGANIZATIONAL ID#, if any: 201122400015 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

[redacted] | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID#, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
CITY OF INGLEWOOD

OR

3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: One Manchester Bouelvard, Fourth Floo | CITY: Inglewood | STATE: CA | POSTAL CODE: 90301 | COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

See Attachment No. 1 to UCC-1 Financing Statement for a description of the Collateral; and
See Attachment No. 2 to UCC-1 Financing Statement for the Legal Description of the Property where the Collateral is located.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
KBB 162-089

Attachment No. 1 to Financing Statement (UCC-1)

Debtor: Grevillea Housing, LP
Secured Party: City of Inglewood

Item 4. Collateral Description

All of the following described property located on the real property located at 100 East Nutwood Street, Inglewood, California 90310 in the City of Inglewood, Los Angeles County, State of California as more fully described on Attachment No. 2 (the "Property"):

All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Property; and

Together with the rents, issues and profits thereof; and together with all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all fixtures, including but not limited to all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating equipment, laundry equipment, steam and hot-water boilers, stoves, ranges, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantles, cabinets, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, and all shades, awnings, screens, blinds and other furnishings, it being hereby agreed that all such fixtures and furnishings shall to the extent permitted by law be deemed to be permanently affixed to and a part of the realty; and

Together with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein; and

Together with all plans, drawings, specifications, etc., and articles of personal property now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the completion and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner.

ATTACHMENT NO. 2
to UCC

LEGAL DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

ATTACHMENT NO. 17
to Disposition and Affordable Housing Development Agreement

DISBURSEMENT AGREEMENT
BETWEEN LENDER(S) AND CITY

[RESERVED]

Attachment No. 18
to Disposition and Affordable Housing Development Agreement

OFFICIAL BUSINESS
Document entitled to free recording
Gov. Code sections 6103, 27383

RECORDING REQUESTED BY
First American Title Company

WHEN RECORDED MAIL TO:
City of Inglewood
Office of the City Administrator
One Manchester Boulevard, Ninth Floor
Inglewood, CA 90301
Attention: Mr. Artie Fields
City Administrator

MAIL TAX STATEMENTS TO:

Grevillea Housing, L.P.
c/o Abode Communities
701 East Third Street, Suite 400
Los Angeles, CA 90013
Attention: Ms. Robin Hughes
Chief Executive Officer
Assessor Parcel Nos:
4021-015-018, 4021-015-019
4021-015-020, 4021-015-021

(Space Above For Recorder's Use)

Exempt from Documentary Transfer Tax. Gov Code §§6103, 27383

AFFORDABLE HOUSING RESTRICTED GRANT DEED
WITH RESERVED ESTATE BY GRANTOR

(with Use and Maintenance Restrictions and reservation of Power of Termination made pursuant to Affordable Housing Agreement under HOME Regulations 24 CFR §92.504)

State of California)
)
County of Los Angeles)

THIS GRANT DEED is made this 23rd day of January, 2012 by the CITY OF INGLEWOOD, a municipal corporation ("Grantor"), to GREVILLEA HOUSING, LP, a California limited partnership ("Grantee").

WHEREAS, Grantor holds legal title to an undivided interest in that certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

WHEREAS, Grantor desires to convey to Grantee the aforesaid parcels of real property (the "Real Property") pursuant to the terms of this instrument.

IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor and acting to carry out the regulations of the United States Department of Housing and Urban Development set forth at 24 CFR Part 92 ("HOME Regulations"), the Grantor, , hereby grants to Grantee, the Real Property, conditioned upon the terms of this Affordable Housing Restricted Grant Deed, subject to, and, where applicable hereinbelow, expressly reserving upon Grantor certain rights, interests, and estate to the Property which have not been granted by Grantor to Grantee, hereinafter such lesser estate is referred to as the "Property".

1. Said Property is conveyed in accordance with and the HOME Regulations and that certain Disposition and Affordable Housing Development Agreement (the "Agreement") entered into by and between Grantor and Grantee on January 23, 2012, which document is a public record on file in the offices of the City Clerk of the City of Inglewood, and both the HOME Regulations and the Agreement are by this reference hereto incorporated herein as though fully set forth herein. Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Agreement.

2. The Property is conveyed to Grantee at a purchase price herein called "Purchase Price", determined in accordance with the uses permitted. Therefore, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

   a. Devote the Property only to the development permitted and the uses specified in this Affordable Housing Restricted Grant Deed, the HOME Regulations, and the Agreement.

   b. construct, develop, and devote the Property solely and exclusively as housing that is affordable to Very Low Income, Low Income and Moderate Income Households, except for that unit designated as the management unit for the on-site community manager. Sixteen (16) of the restricted Sixty One (61) units shall be designated as HOME units and restricted to Very Low Income and Low Income households, as follows:

      i) Two (2) two-bedroom units shall be restricted for occupancy by Very Low Income households – Low HOME/Tax Credit (30% Median)

      ii) Three (3) two-bedroom units shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (40% Median)

      iii) Five (5) two-bedroom units shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (45% Median)

iv) Five (5) three-bedroom units shall be restricted for occupancy by Very Low Income households – Low HOME/Tax Credit (30% Median)

v) One (1) three-bedroom unit shall be restricted for occupancy by Low Income households – Low HOME/Tax Credit (40% Median)

The total square footage of the HOME units must be at least Sixteen Thousand One Hundred (16,100) square feet. For reference purposes only, two 2-bedroom units and five of the 3-bedroom units may be denominated as "30%" Tax Credit units, three of the 2-bedroom units and one of the 3-bedroom units may be denominated as "40%" Tax Credit units, and five of the 2-bedroom units may be denominated as "45%" Tax Credit units.

c. The maximum rents, including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by Very Low Income households shall not exceed the lesser of either (i) or (ii) of the following rent requirements:

i) The rent does not exceed the lesser of (1) 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, as provided by HUD; (2) the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or (3) 30 percent of the adjusted income of a family whose annual income equals 40 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit; or

ii) The rent does not exceed 30 percent of the family=s adjusted income. If the unit receives Federal or State project-based rental subsidy and the Very Low Income family pays as contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

d. Continuously operate, or cause to be continuously operated, an affordable housing complex pursuant to the Agreement along with such ancillary uses within the Property which contribute to the programming objectives

e. Maintain the improvements on the Property in substantially the same aesthetic and sound condition (or better) following construction of the improvements This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below and in the Scope of Development attached to the Agreement. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and prompt repainting or repair or replacement of all damaged or deteriorated surfaces, fencing, walls, equipment, etc.; emptying of

trash receptacles and removal of litter; sweeping of on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the building(s) on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices (if any) in good working order. In the event Grantee, its successors or assigns fails to maintain the improvements in accordance with the standard for the quality of maintenance, the Grantor or its designee shall have the right but not the obligation to enter the Property upon reasonable notice to Grantee, correct any material violation, and hold Grantee, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

3. Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee shall promptly notify the Grantor of any and all changes whatsoever in the identity of the parties in ownership of the Grantee or the degree thereof (other than routine changes in officers or board membership), in the status of the entity of the Grantee as a non-profit public benefit corporation and/or in the purpose of the Grantee, of which it or any of its officers or board members have been notified or otherwise have knowledge or information.

4. Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee shall pay when due all real estate taxes and assessments assessed and levied on or against the Property and each portion thereof while the Property is owned by Grantee. Grantee shall remove, or shall have removed, any levy or attachment made on the Property (or any portion thereof).

5. Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee shall not assign or attempt to assign the Agreement or any right therein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property or the improvements thereon, without prior written approval of the Grantor. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the redevelopment of the Property as set forth in the Agreement, nor shall it prohibit the leasing of space or other reasonable arrangement for occupancy of a portion of the Property by a third party so long as such lease or other reasonable arrangement is for an ancillary use within the Property which contributes to the school's programming objectives and which is approved in writing by the Grantor in its sole discretion.

Grantor acknowledges that Grantor has approved both (a) that certain Disposition and Affordable Housing Development Agreement and (b) a LMIHF Loan Agreement both dated as of January 23, 2012 both between the Grantor and Grantee concerning the development of the Property into the Project.

Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that in the event that Grantor does assign the Agreement or any of the rights therein, or does sell, transfer, convey or assign the Property (or portion thereof), or the buildings or structures thereon in violation of the Agreement and this Grant Deed, the Grantor shall be entitled to increase the Purchase Price paid by the Grantee for the Property by the amount that the consideration payable for such sale, transfer, conveyance or assignment of the Property (or portion thereof) is in excess of the Purchase Price paid by the Grantee for the Property. The consideration payable for such sale, transfer, conveyance or assignment to the extent it is in excess of the amount so authorized, but only to the extent the Grantor is authorized to increase the Purchase Price as provided in the preceding sentence, shall belong and be paid to the Grantor and until so paid the Grantor shall have a lien on the Property and any part involved for such amount.

6. Except as otherwise agreed upon by Grantor, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee is prohibited from encumbering the Property with or entering into any mortgages, deeds of trust, conveyances and leases-back, or any other form of security interest, encumbrance or lien in connection with any debt financing. The words "mortgage" and "deed of trust" as used herein include all modes of financing.

7. Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that the Grantor shall have the right, at its option, to reenter and take possession of the Property (or portion thereof) with all improvements thereon, and to terminate and revest in the Grantor the estate theretofore conveyed to the Grantee, if after conveyance of title and prior to the recordation of the Release of Construction Covenants pertaining to the Property, Grantee (or its successors in interest) shall:

   a. fail to commence construction of the Project as required by the Agreement for a period of three (3) months after the date of receipt or deemed receipt of written notice of default from the Grantor, provided that the Grantee shall not have obtained an extension or postponement to which the Grantee may be entitled pursuant to Section 604 of the Agreement; or

   b. abandon or substantially suspend construction of the Project for a period of nine (9) months after the date of receipt or deemed receipt of written notice of default from the Grantor, provided that the Grantee shall not have obtained an extension or postponement to which the Grantee may be entitled to pursuant to Section 604 of the Agreement; or

   c. fail to complete construction of the Project and move-in and reestablish operation of the Project as required by the Agreement for a period of nine (9) months after the date of receipt or deemed receipt of written notice of default from the Grantor, provided that the Grantee shall not have obtained an extension or postponement to which the Grantee may be entitled pursuant to Section 604 of the Agreement; or

d. violate the provisions of Parts 1, 2, 3, 4, or 5 of the Agreement and such violation is not cured within three (3) months after the date of receipt or deemed receipt of written notice of default from the Grantor.

Grantor and Grantee acknowledge and agree that the cure periods for this Section shall be as set forth above and not as set forth in Parts 5 and 6 of the Agreement.

To the extent that the right established in this Section involves a forfeiture, it must be strictly interpreted against the Grantor, the party for whose benefit it is created. The rights established in this Section are to be interpreted in light of the fact that the Grantor will convey the Property to the Grantee for the development and operation of an affordable housing complex and potential redevelopment and not for speculation in undeveloped land.

8. Grantee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

9. All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code

nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

c. In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

10. All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors and assigns, and the City and its successors and assigns, against Grantee, its

successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

11. The covenants against discrimination set forth in Sections 8 and 9 of this Grant Deed shall remain in effect in perpetuity. The covenants, conditions and restrictions contained in Section 7 of this Grant Deed shall remain in effect until recordation of a Release of Construction Covenants for the Property. All other covenants, conditions and restrictions contained in this Grant Deed shall remain in effect for fifty five (55) years from recordation of the Grant Deed with the Office of the County Recorder of Los Angeles County.

12. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of Grantor and Inglewood Housing Authority, its successor or assigns, and such covenants shall run in favor of Grantor and Inglewood Housing Authority, its successor or assigns, for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor and Inglewood Housing Authority, its successor or assigns, shall each have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers on the date(s) shown by the notary public acknowledgement and hereunto duly authorized to be dated this 23rd day of January , 2012.

"GRANTOR"

CITY OF INGLEWOOD

By: _____

James T. Butts, Jr.
Mayor

APPROVED AS TO FORM AND
LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

ATTEST

By: _____
City Clerk

Grantee accepts this instrument and the terms and conditions thereon.

"GRANTEE"

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

State of California)
)
County of Los Angeles)

On _____ before me, _____, a Notary Public, personally appeared Robin Hughes, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her 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)

State of California)
)
County of Los Angeles)

On _____ before me, _____, a Notary Public, personally appeared James T. Butts, Jr., who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his 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)

Attachment No. 19

to Disposition and Affordable Housing Development Agreement

[RESERVED]

Attachment No. 20

GENERAL ASSIGNMENT AND BILL OF SALE

THIS GENERAL ASSIGNMENT AND BILL OF SALE ("Assignment") is made this 23rd day of January, 2012 by and between Grevillea Housing, LP, a California limited partnership ("Assignee"), and the CITY OF INGLEWOOD, a municipal corporation ("Assignor"), with respect to the following matters.

W I T N E S S E T H:

Assignor and Assignee entered into that certain Disposition and Affordable Housing Development Agreement, dated as of the 23rd day of January, 2012 ("Agreement"), respecting the sale of Assignor's entire undivided interest in the "Property" (as defined in the Agreement), including the real property located in the City of Inglewood, County of Los Angeles, and State of California described as follows:

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Unless otherwise indicated herein, all capitalized terms in this Assignment shall have the meaning ascribed to them in the Agreement.

Under the Agreement, Assignor is obligated to assign to Assignee any and all of its right, title and interest in and to tenant leases.

NOW, THEREFORE incorporating the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns, sells, transfers, sets over and delivers unto Assignee all of Assignor's estate, right, title and interest in and to, and Assignee hereby accepts such assignment, with respect to all tenant leases, including but not limited to that certain parking lot lease between Assignee and Los Angeles Entertainment, Inc. dba Savoy ("Tenant Leases") along with any other tangible personal property and all intangible rights in connection with the complete and comfortable use, enjoyment, occupancy or operation of the Property.

Assignor hereby covenants that Assignor will, at any time and from time to time, upon written request therefor, execute and deliver to Assignee, Assignee's successors, nominees and assigns, any new or confirmatory instruments which Assignee, Assignee's successors, nominees and assigns may reasonably request in order to fully assign and transfer to and vest in Assignee, or Assignee's successor, nominee and assigns, and to protect Assignee's or Assignee's successors', nominees' and assigns' right, title and interest in and to the Tenant Leases, and all other tangible property and intangible rights in connection with the Property, or to otherwise realize upon or enjoy such rights in such assigned rights and properties.

In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including actual attorneys' fees and costs.

This Assignment maybe executed simultaneously in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

This Assignment shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first above written.

"ASSIGNOR":

CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

APPROVED AS TO FORM:

Cal P. Saunders
City Attorney

By:_____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

ATTEST:

By: _____

City Clerk

"ASSIGNEE":
GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

Also consented to by Abode independently
ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,

By:_____
Robin Hughes
Chief Executive Officer

12-018

LMIHF LOAN AGREEMENT

by and between

THE CITY OF INGLEWOOD

and

GREVILLEA HOUSING, L.P.

(Low and Moderate Income Housing Fund – Grevillea Family Apartments)

TABLE OF CONTENTS

		Page
ARTICLE 1 DEFINITIONS AND EXHIBITS		
Section 1.1	Definitions	3
Section 1.2	Exhibits.	3
		8
ARTICLE 2 LOAN PROVISIONS		
Section 2.1	Loan.	9
Section 2.2	Interest	9
Section 2.3	Use of Funds.	10
Section 2.4	Security.	10
Section 2.5	Subordination.	11
Section 2.6	Acquisition Component Disbursement Requirements.	11
Section 2.7	Predevelopment Component Disbursement Requirements.	12
Section 2.8	Demolition and Construction Component Disbursement Requirements.	12
Section 2.9	Completion Component Disbursement Requirements	12
Section 2.10	Conversion Component Disbursement Requirements.	15
Section 2.11	Disbursement of Project Cost Savings	16
Section 2.12	Determination of Final Conversion Component Disbursement	17
Section 2.13	Repayment of the Loan.	17
Section 2.14	Reports and Accounting of Residual Receipts	18
Section 2.15	Non-Recourse.	21
Section 2.16	Reserved	22
		23
ARTICLE 3 PREDEVELOPMENT CONDITIONS		
Section 3.1	Predevelopment Conditions.	23
Section 3.2	Approved Development Budget.	23
Section 3.3	Scope of Demolition Work and Construction	23
Section 3.4	Reserved	23
Section 3.5	Demolition Work and Construction Plans.	23
Section 3.6	Applicable Governmental Approvals.	23
Section 3.7	Tax-Exempt Bond Application.	24
Section 3.8	Tax Credit Applications.	24
Section 3.9	Tax Credit Investors Bids	25
Section 3.10	Other Approved Financing.	25
Section 3.11	Final Financing Plan.	26
Section 3.12	Management and Marketing Plan.	27
Section 3.13	Construction Contract.	29
Section 3.14	Building Permit.	29
Section 3.15	Insurance.	30
Section 3.16	Performance and Payment Bonds.	30
Section 3.17	Resident Services, Plan and Budget	31
Section 3.18	Evidence of Availability of Funds.	31
		32

ARTICLE 4 DEMOLITION WORK AND CONSTRUCTION OF THE DEVELOPMENT

Section 4.1 Permits and Approvals. 32
Section 4.2 Approved Scope of Development. 32
Section 4.3 Commencement of Demolition Work and Construction. 32
Section 4.4 Completion of Demolition Work and Construction. 32
Section 4.5 Performance of Work Pursuant to Plans and Laws; Prevailing Wages. 32
Section 4.6 Equal Opportunity. 33
Section 4.7 Progress Reports; Amended Rehabilitation Budget. 34
Section 4.8 Construction Responsibilities. 34
Section 4.9 Mechanics Liens, Stop Notices, and Notices of Completion. 34
Section 4.10 Inspections. 35
Section 4.11 Approved Development Budget; Revisions to Budget. 35
Section 4.12 Developer Fee. 35

ARTICLE 5 ONGOING OBLIGATIONS 36

Section 5.1 Financial Accountings and Post-Completion Audits. 37
Section 5.2 Municipal Services Fee. 37
Section 5.3 Information. 37
Section 5.4 Records. 37
Section 5.5 Audits. 37
Section 5.6 Hazardous Materials. 37
Section 5.7 Maintenance and Damage. 38
Section 5.8 Fees and Taxes. 40
Section 5.9 Notice of Litigation. 40
Section 5.10 Operation of Development as Affordable Housing. 41
Section 5.11 Non-Discrimination. 41
Section 5.12 Mandatory Language in All Subsequent Deeds, Leases and Contracts. 41
Section 5.13 Insurance Requirements. 41
Section 5.14 Definition of Transfer. 43
Section 5.15 Purpose of Restriction on Transfer. 44
Section 5.16 Prohibited Transfers. 44
Section 5.17 Permitted Transfers Without Prior City Approval. 45
Section 5.18 Permitted Transfers With Prior City Approval. 45

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER 46

Section 6.1 Representations and Warranties. 47

ARTICLE 7 TERMINATION, DEFAULT AND REMEDIES 49

Section 7.1 No Fault Termination. 49
Section 7.2 Events of Default. 50
Section 7.3 Remedies. 51
Section 7.4 Reserved. 52

Section 7.5 Right of Contest. 52
Section 7.6 Remedies Cumulative. 52
Section 7.7 Remedies by Other Entities/Individuals Pursuant to California Law. 53
Section 7.8 Survival. 53

ARTICLE 8 GENERAL PROVISIONS 53
Section 8.1 Relationship of Parties. 53
Section 8.2 No Claims. 53
Section 8.3 Amendments. 54
Section 8.4 Entire Understanding of the Parties. 54
Section 8.5 Indemnification. 54
Section 8.6 Non-Liability of City and City Officials, Employees and Agents. 54
Section 8.7 No Third Party Beneficiaries. 54
Section 8.8 Action by the City. 54
Section 8.9 Waivers. 55
Section 8.10 Notices, Demands and Communications. 55
Section 8.11 Applicable Law and Venue. 56
Section 8.12 Parties Bound. 56
Section 8.13 Attorneys' Fees. 56
Section 8.14 Severability. 56
Section 8.15 Force Majeure. 56
Section 8.16 Conflict of Interest. 57
Section 8.17 Title of Parts and Sections. 57
Section 8.18 Multiple Originals; Counterpart. 57
Section 8.19 Operating Memoranda. 57
Section 8.20 Construction and Interpretation of Agreement 58
Section 8.21 Time of Essence. 59
Section 8.22 Compliance with Law. 59
Section 8.23 Police Power. 59
Section 8.24 Brokers. 59
Section 8.25 Incorporation by Reference. 60

EXHIBITS

EXHIBIT A	-	LEGAL DESCRIPTION
EXHIBIT B	-	PROPOSED BUDGET
EXHIBIT C	-	SCHEDULE OF PERFORMANCE
EXHIBIT D	-	SCOPE OF DEVELOPMENT
EXHIBIT E	-	PROPOSED DEMOLITION WORK PLANS
EXHIBIT F	-	FORM OF LMIHF PROMISSORY NOTE
EXHIBIT G	-	FORM OF LMIHF DEED OF TRUST
EXHIBIT H	-	FORM OF NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY
EXHIBIT I	-	FORM OF LMIHF REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS
EXHIBIT J	-	FORM OF ASSIGNMENT OF PLANS
EXHIBIT K	-	FORM OF RESIDUAL RECEIPTS REPORT

LMIHF LOAN AGREEMENT

(Low and Moderate Income Housing Fund – Grevillea Family Apartments

This LMIHF Loan Agreement (the "Agreement") is entered into as of January 23, 2012, by and between the City of Inglewood, a municipal corporation (the "City"), and Grevillea Housing, L.P., a California limited Partnership (the "Developer"), with reference to the following facts, purposes and intentions.

RECITALS

A. These Recitals refer to and utilize certain capitalized terms which are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use of capitalized terms in these Recitals.

B. The City Council of the City of Inglewood adopted the redevelopment plan (the "Redevelopment Plan") for the Amended and Restated Merged Inglewood Redevelopment Project on July 30, 1996 (the "Project Area") by Ordinance Nos. 96-11, 96-12, 96-13, 96-14, 96-15, and 96-16, as subsequently amended.

C. The intent of the Redevelopment Plan is, in part, to attain the purposes of the California Community Redevelopment Law by: (1) elimination of areas suffering from economic dislocation and disuse; (2) replanning, redesign and/or redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise acting alone without public participation and assistance; (3) protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means; and (4) installation of new or replacement of existing public improvements, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities. The Redevelopment Plan governs the development and use of all real property located within the redevelopment project area more particularly described in the Redevelopment Plan.

D. The Inglewood Redevelopment Agency ("Agency") is responsible for implementation of the Redevelopment Plan.

E. The Agency and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area.

F. Pursuant to the Cooperation Agreement, among other things, the Agency has transferred to the City all of the Agency's rights to Agency funds and tax increment revenues from the Project Area (the "Project Area Funds"), and the City has accepted the Project Area

Funds for purposes of aiding and cooperating with the Agency in the redevelopment of various properties located within the Project Area in accordance with the Redevelopment Plan.

G. Pursuant to that certain Property Acquisition Agreement and Joint Escrow Instructions between the Developer as seller and City as buyer dated December 22, 2011 (the "Acquisition Contract"), the City acquired from Developer fee title to certain real property constituting a development site of approximately 1.14 acres in the Project Area, bordered generally by Nutwood Avenue to the north, Kelso Street to the south, La Brea to the east and Grevillea to the west, specifically identified as 100 East Nutwood Avenue, and more particularly described in the Legal Description attached hereto as Exhibit "A" (the "Property").

H. Concurrently with the acquisition of the Property, the City and Developer entered into an exclusive negotiating agreement dated December 22, 2011 (the "ENA"), whereby exclusive negotiations were to take place concerning the Developer's proposal to develop the Property pursuant to the terms of the ENA.

I. In furtherance of the ENA and concurrently with the execution of this Agreement, the City and Developer are entering into an Affordable Housing Agreement (the "AHA") which sets out the terms and conditions of the development of the affordable housing project proposed in the ENA along with the sources of financing identified therein and the proposed budget attached as Exhibit "B".

J. Pursuant to the Acquisition Contract, the City paid a purchase price of Two Million Eight Hundred Thousand Dollars ($2,800,000) for the Property on December 30, 2011. In addition, the escrow agent retained a portion of that purchase price, a Holdback, as defined in the Acquisition Contract, to be disbursed according to the terms of Paragraph 3.3 of the Acquisition Contract.

K. The Developer has submitted a proposal for a single phase development (the "Development") of the approximately 49,600 square feet of land area comprising of the Property with sixty-two (62) units of affordable housing (the "Affordable Units") along with parking described in the Scope of Development attached hereto as Exhibit D (collectively, the "Project"), to be developed according to the Schedule of Performance attached hereto as Exhibit "C".

L. The development of the Project in the Project Area will further the goals of alleviating blighting conditions and stimulating economic development in the Project Area.

M. The construction, development, and operation of the Project will be in conformance with the United States Department of Housing and Urban Development ("HUD"), HOME Regulations, 24 CFR Part 92 ("HOME Program").

N. The purpose of this Agreement is to set forth the terms and conditions of proposed partial financing of the Project by the City in furtherance of the AHA and without any conflict with the obligations of the Developer to the City under the Acquisition Contract. As more fully set forth in this Agreement, the Acquisition Contract, AHA, ENA, and this Agreement do not grant the Developer or any successor or assign the right develop the Project or construct any improvements on the Property.

O. The Developer intends to provide long-term affordability covenants on the Units in the Development.

P. Through this Agreement and accompanying documents, including the LMIHF Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement" a form of which is attached hereto as Exhibit "I," incorporated herein by this reference), the City is imposing occupancy and affordability restrictions on the Development in order to utilize the sixty-one (61) units in partial satisfaction of its adequate sites inventory pursuant to Government Code Section 65583.1(c).

Q. Concurrently with execution of this Agreement and the Regulatory Agreement, the City and the Developer will also execute a Notice of Affordability Restrictions, a Promissory Note and a Deed of Trust and Assignment of Rents. The Regulatory Agreement, Notice of Affordability Restrictions, and Deed of Trust will be recorded at close of escrow.

R. The City intends to utilize the Development to obtain affordable housing production credits for the City pursuant to Health and Safety Code Section 33413(b)(2)(A)(ii) as housing units located outside of the Project Area and available at affordable housing cost to very low income, low income, and moderate income households. Such units are required to remain affordable to such households for not less than the Term set forth under this Agreement and the Regulatory Agreement. This Agreement and the Regulatory Agreement are also intended to implement this requirement.

S. As more fully set forth in Section 3.6 below, this Agreement does not authorize or guarantee the granting of the Governmental Approvals, closing of any additional City loans, permits for demolition, or the entitlements for the construction of the Development. Such actions may be authorized and will become possible only upon subsequent discretionary action of the City, as appropriate.

T. The California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA"), imposes no conditions on the City's consideration and approval of this Agreement, because the project undertaken pursuant to this Agreement is pursuant to the affordable housing exemption, and such projects are exempt from CEQA requirements under article 12.5 exemption, as further set forth in 14 California Code of Regulations Section 15194.

NOW, THEREFORE, in consideration of the recitals hereof and the mutual promises and covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided:

(a) "Acquisition Component" means a portion of the Loan in an amount not to exceed Five Hundred Fifty Three Thousand Dollars ($553,000), to be used for acquisition costs.

(b) "Agency" means the Inglewood Redevelopment Agency.

(c) "Agreement" means this LMIHF Loan Agreement.

(d) "Applicable Governmental Approvals" means the City and other governmental permits and approvals necessary for the Demolition Work, Construction and operation of the Development, including but not limited to submissions of design development review documents, detailed exterior renovation plans, overall design and architectural review and any required operating licenses, but excluding a building permit.

(e) "Approved Demolition Work Plans" means the plans and specifications for the Demolition Work, requiring final submittal and approved by the City and attached hereto as Exhibit E. The Approved Scope of Development incorporates the Approved Demolition Work Plans.

(f) "Approved Development Budget" shall mean the proforma development budget, including sources and uses of funds, as approved by the City and attached hereto and incorporated herein as Exhibit B, but which may be amended with the approval of the City as set forth in this Agreement.

(g) "Approved Financing" means the loans or grants to be secured by the Developer, approved by the City for the purpose of financing the acquisition and Demolition Work and Construction in addition to the Loan, and documented in the Final Financing Plan.

(h) "Approved Scope of Development" means the scope of development which incorporates the construction of the Improvements approved by the City and attached hereto as Exhibit D along with the Approved Demolition Work Plans.

(i) "Assignment of Plans" means the agreement, evidencing the Developer's assignment of all rights in and to certain plans, specifications and other predevelopment documents as security for the Acquisition Component of the Loan, which assignment shall also secure the Developer's obligations under this Agreement. The form of the Assignment of Plans is set forth in the attached Exhibit J.

(j) "CDLAC" means the California Debt Limit Allocation Committee.

(k) "CEQA" means the California Environmental Quality Act, Public Resources Code Section 21000 et seq.

(l) "City" means the City of Inglewood, a municipal corporation.

(m) "City Administrator" means the City Administrator of the City or the City Administrator's designee.

(n) "Close of Escrow" shall refer to the date of recordation of the Deed of Trust pursuant to the terms of this Agreement.

(o) "Commencement of Demolition Work and Construction" means the date of commencement of the Demolition Work which must immediately proceed and be prosecuted in tandem with the Construction.

(p) "Completion Component" means a portion of the Loan in an amount not to exceed One Million Four Hundred Forty Eight Thousand Dollars ($1,448,000), to be used to pay down the Construction Loan, subject to the disbursement conditions set forth in Section 2.9 below and further subject to reduction in an amount pursuant to Section 2.11 below.

(q) "Completion of Demolition Work and Construction" means the date the Developer receives City building department sign-off on completion of the Demolition Work and Construction.

(r) "Construction Bonds" has the meaning set forth in Section 3.16 below.

(s) "Construction Contract" has the meaning set forth in Section 3.13 below.

(t) "Construction Loan" means the loan of conventional construction financing, tax-exempt bond proceeds, or such other approved financing by the City that Developer will receive as construction financing for the Demolition Work and Construction.

(u) "Construction Loan Deed of Trust" means the Deed of Trust against the Property that will secure the Construction Loan.

(v) "Conversion Component" means a portion of the Loan in an amount not to exceed Five Hundred Thousand Dollars ($500,000), to be used to provide additional permanent financing to the Developer, subject to the disbursement conditions set forth in Section 2.10 below and further subject to reduction in an amount pursuant to Section 2.11 below.

(w) "Conversion Date" shall mean the date the Construction Loan is converted from a construction loan to a permanent loan.

(x) "Deed of Trust" means the LMIHF Deed of Trust that will encumber the Development to secure repayment of the Loan. The form of the Deed of Trust is set forth in the attached Exhibit G.

(y) "Default" means events of default by Developer under this Agreement, as more specifically described in Section 7.2 below.

(z) "Developer" means Grevillea Housing, L.P. a California limited partnership, and its permitted successors and assigns.

(aa) "Development" means the Property and the Improvements (including the Improvements as constructed in accordance with the Loan Documents and the AHA).

(bb) "Evidence of Insurance Coverage" has the meaning set forth in Section 3.15 below.

(cc) "Final Financing Plan" means the final plan for financing the Development as approved by the City pursuant to in Section 3.11 below.

(dd) "Financing Proposal" means the Developer's Proposal concerning financing for the project previously submitted to the City.

(ee) "Force Majeure" means the occurrence of one or more of those events described in Section 8.15, permitting an extension of time for performance of obligations under this Agreement.

(ff) "Hazardous Materials" has the meaning set forth in Section 5.6 below.

(gg) "Hazardous Materials Claim" has the meaning set forth in Section 5.6 below.

(hh) "Hazardous Materials Law" has the meaning set forth in Section 5.6 below.

(ii) "Improvements" means the approximately 62 unit affordable family housing development to be developed on the Property, including all common areas, amenities, plans, entitlements, appurtenances, improvements easements, buildings and fixtures associated with the Property.

(jj) "Loan" means the loan to the Developer in the total principal amount not to exceed Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419). The Loan is more particularly described in Section 2.1.

(kk) "Loan Documents" means this Agreement together with the Deed of Trust, Notice of Affordability Restrictions, the Note, the Regulatory Agreement, the Assignment of Plans and any other document or agreement evidencing the Loan

(ll) "Management and Marketing Plan" has the meaning set forth in Section 3.12 below.

(mm) "Manager's Unit" means a dwelling unit occupied by a manager of the Development employed by the Developer or the Developer's operator of the Development.

(oo) "Net Proceeds of Permanent Financing" means the portion of the Approved Financing that is not required to pay the costs of acquisition and construction of the Development (including but not limited to the funding of reserves, the payment of Developer Fee and repayment of construction financing, but excluding Demolition Work and Construction Cost Savings). Net Proceeds of Permanent Financing, if any, shall be determined pursuant to the procedure set forth in Section 2.13(c).

(pp) "Note" means the LMIHF Promissory Note that will evidence the Developer's obligation to repay the Loan. The form of the Note is set forth in the attached Exhibit F.

(qq) "Notice of Affordability Restrictions" means the Notice of Affordability Restrictions on Transfer of Property between the City and the Developer to be recorded against the Property at the Close of Escrow, pursuant to Health and Safety Code Sections 33334.3 and/or 33413(c)(5), or successor provision. The form of the Notice of Affordability Restrictions is set forth in the attached Exhibit H.

(rr) "Operating Memorandum" has the meaning given in Section 8.19 below.

(ss) "Parties" means the City, and the Developer.

(tt) "Predevelopment Component" means a portion of the Loan in an amount agreed upon between the City and the Developer, to be used to reimburse Developer for certain approved Predevelopment Costs, subject to disbursement requirements set forth in Section 2.7 below.

(uu) "Predevelopment Costs" means those "soft costs" paid by the Developer to third-party providers, including without limitation, architectural design costs, payment of fees to obtain the Applicable Governmental Approvals, and other costs approved by the City, necessary to be incurred in order to commence the Demolition Work and Construction. The Predevelopment Costs are those set forth in Table 2 to the Approved Development Budget attached to this Agreement as Exhibit "B".

(vv) "Project Cost Savings" means the savings, if any, between the projected costs of acquisition and construction of the Development as set forth in the Approved Development Budget and the actual costs of acquisition and construction of the Development (but excluding Relocation Cost Savings).

(ww) "Property" means the real property located at 100 East Nutwood Street, Inglewood, CA, 90301, particularly described in Exhibit A attached hereto.

(xx) "Recorder" means the Office of the Los Angeles County Recorder.

(yy) "Development Budget" means a budget showing sources and uses breakdown of costs of the Demolition Work and Construction and related development costs.

(zz) "Demolition and Construction Component" means a portion of the City Loan in an amount not to exceed Five Million Seven Hundred Seventy Nine Thousand Dollars ($5,779,000), to be used to finance the Demolition Work and Construction, subject to the disbursement requirements set forth in Section 2.8 below.

(aaa) "Demolition Work and Construction" means the physical construction work to construct the Improvements in accordance with the Approved Scope of Development, the Applicable Governmental Approvals, and the Approved Demolition Work Plans.

(bbb) "Regulatory Agreement" means the LMIHF Regulatory Agreement and Declaration of Restrictive Covenants between the City and the Developer to be recorded against

the Property at the Close of Escrow. The form of the Regulatory Agreement is set forth in the attached Exhibit I.

(ccc) "Resident Services Budget" means the annual budget for implementation of the Resident Services Plan.

(ddd) "Resident Services Plan" means the plan for providing services to residents of the Development.

(eee) "Schedule of Performance" means the schedule for performance of various tasks and obligations under this Agreement that is attached as Exhibit C, incorporated herein by this reference, as such may be modified pursuant to Section 3.1 below.

(fff) "Scope of Development" has the meaning set forth in Section 3.3 below.

(ggg) "Senior Lender" has the meaning set forth in Section 2.5(b) below.

(hhh) "Senior Loan" has the meaning set forth in Section 2.5 below.

(iii) "Tax Credit Investor" means the investor limited partner of the Developer to be determined by the Parties after to the Close of Escrow.

(jjj) "TCAC" means the California Tax Credit Allocation Committee.

(kkk) "Term" means the term of this Agreement, which commences as of the date of this Agreement and, unless terminated earlier pursuant to this Agreement, ends fifty-five (55) years after the date of recordation of the Release of Construction Covenants in the Recorder by the City.

(lll) "Termination Notice" has the meaning set forth in Section 7.1 below.

(mmm)"Transfer" has the meaning set forth in Section 5.14 below.

(nnn) "Unit" means one of the approximately fifty-two (62) multifamily apartment units to be developed on the Property.

(ooo) "50% Completion" means the date on which fifty percent (50%) of the construction of the Development have been completed, as certified by the Developer's architect or construction manager, as applicable.

Section 1.2 Exhibits.

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A	Legal Description
Exhibit B	Proposed Development Budget
Exhibit C	Schedule of Performance

Exhibit D	Scope of Development
Exhibit E	Proposed Demolition Work Plans
Exhibit F	Form of LMIHF Promissory Note
Exhibit G	Form of LMIHF Deed of Trust
Exhibit H	Form of Notice of Affordability Restrictions on Transfer of Property
Exhibit I	Form of LMIHF Regulatory Agreement and Declaration of Restrictive Covenants
Exhibit J	Form of Assignment of Plans
Exhibit K	Form of Residual Receipts Report

ARTICLE 2
LOAN PROVISIONS

Section 2.1 Loan.

The City shall lend loan proceeds to the Developer, in the maximum loan amount of up to Eight Million Two Hundred Eighty Four Thousand Four Hundred Nineteen Dollars ($8,284,419). However, notwithstanding the foregoing, this maximum loan amount is subject to reduction on a dollar-by-dollar basis in the event the award from the Tax Credit Allocation Committee ("TCAC"), as contemplated by this Agreement is greater than the Fourteen Million Two Hundred Five Thousand Seven Hundred Forty One Dollars ($14,205,741) amount set forth in Section 3(ii)(f) of the Method of Financing, Attachment No. 3. Upon the award of such greater TCAC amount, the Loan shall be the amount of Eight Million Two Hundred Eighty Four Thousand Four Hundred Nineteen Dollars ($8,284,419) less the increased TCAC award amount. This loan is pursuant to the terms and conditions described in the Method of Financing, secured by the Deed of Trust and the other City Instruments and having a lien on the Property that is third in priority, junior in priority to the lien of the deed of trust of the Senior Loan and the deed of trust of the City under the HOME Regulations referenced in the Disposition and Affordable Housing Development Agreement between the City and Developer dated January 23, 2012.

Subject to satisfaction of the conditions set forth in Sections 2.6 through 2.10 below as applicable, the City shall lend to the Developer the Loan referenced in the prior unnumbered paragraph for the purposes set forth in Section 2.3 of this Agreement.

For the purposes of this Article 2, the Loan shall be treated in four (4) separate components:

(a) The "Acquisition Component" shall not be funded by any portion of the Loan.

(b) The "Predevelopment Component" shall not be funded by any portion of the Loan.

(c) The "Demolition and Construction Component" shall be a portion of the Loan in an amount up to and not to exceed Six Million Fifty Five Thousand One Hundred Forty Seven Dollars ($6,055,147), or as much thereof, as may be disbursed to pay Approved Scope of Development pursuant to the requirements of Sections 2.8 and 4.13 below.

(d) The "Completion Component" shall be in an amount up to and not to exceed One Million Four Hundred Fifty Three Thousand One Hundred Twenty Five Dollars ($1,453,125), or as much thereof, as may be disbursed to pay down the Construction Loan pursuant to the requirements of Section 2.9 below, provided that this amount may be reduced pursuant to Sections 2.11 and 4.13 below.

(e) The "Conversion Component" shall be in an amount up to and not to exceed Seven Hundred Thousand Seventy Six Thousand One Hundred Forty Seven Dollars ($776,147) or the balance of the loan, whichever is greater; and is intended to provide additional permanent financing to the Developer, provided that this amount may be reduced pursuant to Sections 2.11 and 4.13 below.

Section 2.2 Interest.

(a) Subject to the provisions of Section 2.2(b) below, the outstanding principal balance of the Loan shall bear simple interest at the rate of three percent (3%) per annum commencing with the date of first disbursement.

(b) In the event of a Default, interest on the Loan shall begin to accrue, as of the date of Default and continue until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

Section 2.3 Use of Funds.

(a) Acquisition Component. Developer anticipates obtaining partial financing under the AHA and HOME Regulations in the amount of Two Million Eight Hundred Thousand Dollars ($2,800,000).

(b) Predevelopment Component. Developer shall use funds other than the Loan to finance Predevelopment Costs.

(c) Demolition and Construction Component. Developer shall use the Demolition and Construction Component of the Loan to finance the Demolition Work and Construction, as approved by the City under the Approved Scope of Development.

(d) Completion Component. Developer shall use the Completion Component to repay a portion of the Construction Loan, and to the extent feasible to partially fund the Developer Fee in accordance with Section 4.12(c) below.

(e) Conversion Component. Developer shall use the Conversion Component as a source of permanent financing for the Development, and to the extent feasible to partially fund the Developer Fee in accordance with Section 4.12(d) below.

(f) No Other Uses. The Developer shall not use any proceeds of the Loan for any other purpose without the prior written consent of the City.

Section 2.4 Security.

(a) Assignment of Plans. The Developer's obligations under this Agreement shall be secured by the Assignment of Plans to be executed by the Developer pursuant to Section 2.8(a) below. The Assignment of Plans shall become effective upon an uncured event of Default of the Developer as defined in Section 7.2 below, or upon termination of this Agreement pursuant to Section 7.1 below. The City shall not have any obligation under any contracts or agreements assigned pursuant to the Assignment of Plans until it expressly agrees in writing to be bound by such contracts or agreements. Upon an event of Default that has not been cured pursuant to this Agreement or the termination of this Agreement pursuant to Section 7.1 below, the City may use any of the documents, assigned to the City under an Assignment of Plans, for any purpose for which the Developer could have used them for construction of the Development.

(b) Deed of Trust. The Loan is secured by the Original Deed of Trust until such time as the Deed of Trust is recorded as a lien against the Property, at which time the Deed of Trust will secure the Loan.

Section 2.5 Subordination.

Any subordination of the Deed of Trust to other Approved Financing (in each case, a "Senior Loan"), shall be subject to satisfaction of all of the following conditions:

(a) All of the proceeds of the proposed Senior Loan, less any transaction costs, must be used to provide acquisition, construction and/or permanent financing for the Development.

(b) The proposed lender (each, a "Senior Lender") must be a state or federally chartered financial institution, a nonprofit corporation or a public entity that is not affiliated with the Developer or any of the Developer's affiliates, other than as a depositor or a lender.

(c) The Developer must demonstrate to the City's reasonable satisfaction that subordination of the Deed of Trust is necessary to secure adequate acquisition, construction and/or permanent financing to ensure the viability of the Development, including the operation of the Development as affordable housing, as required by the Loan Documents. To satisfy this requirement, the Developer must provide to the City, in addition to any other information reasonably required by the City, evidence demonstrating that the proposed amount of the Senior Loan is necessary to provide adequate acquisition, construction, construction and/or permanent financing to ensure the viability of the Development, and adequate financing for the Development would not be available without the proposed subordination.

(d) The subordination agreement(s) must be structured to minimize the risk that the Deed of Trust would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Loan. To satisfy this requirement, the subordination agreement must provide the City with adequate rights to cure any defaults by the Developer, including: (i) providing the City or its successor with copies of any notices of default at the same time and in the same manner as provided to the Developer; and (ii) providing the City with a cure period of at least sixty (60) days to cure any default.

(e) The subordination(s) described in this Section may be effective only during the original term of the Senior Loan and any extension of its term approved in writing by the City.

(f) No subordination may limit the effect of the Deed of Trust before a foreclosure, nor require consent of the holder of the Senior Loan to exercise any remedies by the City under the Loan Documents.

(g) Upon a determination by the City Administrator or designee that the conditions in this Section have been satisfied, the City Administrator or designee or his/her designee will be authorized to execute the approved subordination agreement without the necessity of any further action or approval.

(h) In addition, any agreement to subordinate the Deed of Trust shall comply with the requirements of Health and Safety Code Section 33334.14.

Section 2.6 Acquisition Component Disbursement Requirements.

Reserved.

Section 2.7 Predevelopment Component Disbursement Requirements.

Reserved.

Section 2.8 Demolition and Construction Component Disbursement Requirements.

(a) The Demolition and Construction Component, of the Loan shall be disbursed in accordance with the following provisions. The City shall not be obligated to make any disbursements of the Demolition and Construction Component or take any other action under the Loan Documents unless the following conditions precedent are satisfied:

(1) The Developer has met the preconditions to disbursement of the Acquisition Component and the Predevelopment Component of the Loan and the entire Acquisition Component and Predevelopment Component have been disbursed to the Developer;

(2) The Developer's general partners have delivered to the City a copy of corporate authorizing resolutions authorizing execution of the Loan Documents and the transactions contemplated by this Agreement;

(3) The Construction Loan has closed and the Construction Loan Deed of Trust has been recorded against the Property;

(4) The Developer has executed and delivered to the City, the Note in an amount not to exceed Eight Million Eight Hundred Forty-Six Thousand Dollars ($8,284,419) evidencing the Developer's obligations under this Agreement, the Deed of Trust, the City Notice of Affordability Restrictions, the City Regulatory Agreement, the Assignment of Plans; and the Deed of Trust, City Regulatory Agreement, and the City Notice of Affordability Restrictions have been, or will be concurrently with the Close of Escrow, recorded against the Property with the Recorder in a lien position subordinate only to the Construction Loan Deed of Trust and the

deed of trust securing the City under the HOME Regulations as further defined in the Disposition and Affordable Housing Development Agreement between the City and Developer dated January 23, 2012;

(5) There exists no Default nor any act, failure, omission, or condition that would constitute an event of Default under this Agreement;

(6) The undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that the Developer has obtained in connection with the Development, are not less than the amount that the City determines is necessary to pay for construction of the Development and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement;

(7) The Tax Credit Investor has entered the Developer's Partnership pursuant to an Amended and Restated Partnership Agreement approved by the City and has made a capital contribution of at least twenty percent (20%) of Three Million Eight Hundred Fifty-One Thousand Dollars ($3,851,000);

(8) The Developer has received all building permits necessary to perform the Demolition Work and Construction pursuant to Section 3.14 below (including but not limited to approvals required from the City's Development Services Department);

(9) The City has received and approved the Final Financing Plan pursuant to Section 3.11 below, including satisfactory documentation that the amount of the Demolition and Construction Component will not cause Developer to be utilizing less than fifty percent (50%) of the Construction Loan proceeds for construction of the Development, as required under the tax-exempt bond program, and the City Administrator or designee has made the findings required under Section 3.11(f) to the extent such findings are necessary;

(10) The City has received and approved the Demolition Work Plans;

(11) The City has received and approved a guaranteed maximum price construction contract that the Developer has entered or proposed to enter for construction of the Development as required pursuant to Section 3.13 below;

(12) The Developer has furnished the City with evidence of the insurance coverage meeting the requirements of Section 5.13 below;

(13) Subject to the request of the City, a title insurer reasonably acceptable to the City is unconditionally and irrevocably committed to issuing a 2006 ALTA Lender's Policy of insurance insuring the priority of the Regulatory Agreement, Notice of Affordability Restrictions, and Deed of Trust in the amount of the Loan subject only to such exceptions and exclusions as may be reasonably acceptable to the City, and containing such endorsements as the City may reasonably require;

(14) The City has received copies of labor and material payment and performance bonds as required pursuant to Section 3.16 below;

(15) If and as appropriate, the City has received copies of an executed reciprocal easement agreement necessary for the maintenance of the Improvements, including but not limited to the private driveway adjacent to the Development;

(16) The City has received and approved the Management and Marketing Plan pursuant to Section 3.12 below; and

(17) The City has received a written draw request from the Developer, including certification that the condition set forth in Section 2.8(a)(5) continues to be satisfied, and setting forth the proposed uses of funds consistent with the Approved Development Budget, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by: (i) certification by the Developer's architect reasonably acceptable to the City that the work for which disbursement is requested has been completed (although the City reserves the right to inspect the Property and make an independent evaluation); and (ii) conditional lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the City. The City shall be entitled to review and approve any and all releases of mechanics liens whether or not it obtains title insurance coverage.

(b) Upon satisfaction of these conditions, the City shall on a monthly basis disburse the Demolition and Construction Component of the Loan. Notwithstanding any other provisions of this Agreement, the City shall have no further obligation to disburse any portion of the Loan to the Developer following: (1) termination of this Agreement; or (2) notification by the City to the Developer of a Default under the terms of this Agreement.

Section 2.9 Completion Component Disbursement Requirements.

(a) The Completion Component of the Loan shall be disbursed in accordance with the following provisions of this Section 2.9. The City shall not be obligated to make any disbursements of the Completion Component of the Loan unless the following conditions precedent are satisfied prior to such disbursement of the Loan or will be satisfied concurrently with the City's disbursement:

(1) Developer has completed the construction of the Development and has received a final certificate of occupancy for all Units, or comparable City sign-off on the completion of the construction;

(2) The City has received and approved the Resident Services Plan pursuant to Section 3.17 below;

(3) Developer has completed all tenant relocation pursuant to the Relocation Plan and applicable law;

(4) The City has received and approved an updated Final Financing Plan pursuant to Section 3.11 below and the City Administrator or the designee has made the findings required under Section 3.11(f) to the extent such findings are necessary;

(5) There exists no Default nor any act, failure, omission, or condition that would constitute an event of Default under this Agreement;

(6) If requested by the City, the title insurer has issued an LP-10 rewrite of the City's ALTA Lender's Policy of Insurance insuring the priority of the Deed of Trust in the amount of the Loan, free of all mechanics liens related to the construction of the Development, and subject only to such exceptions and exclusions as may be reasonably acceptable to the City, and containing such endorsements as the City may reasonably require; the City shall be entitled to review and approve any and all releases of mechanics liens whether or not it obtains title insurance coverage.

(7) The undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that the Developer has obtained in connection with the Development, are not less than the amount that the City reasonably determines is necessary to pay for construction of the Development and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement;

(8) The Tax Credit Investor has made capital contributions in the approximate amount of ninety percent (90%) of Three Million Eight Hundred Fifty-One Thousand Dollars ($3,851,000);

(9) The entire sum of the Construction Loan has been disbursed to the Developer, or such lesser amount as is needed by the Developer to complete the Approved Scope of Work while satisfying the 50-percent aggregate basis test under Section 42(h)(4)(B) of the Internal Revenue Code; and

(10) The Developer shall have submitted a written request to the City for disbursement of the Completion Component wherein the Developer shall certify to the City that: (A) the entire proceeds of the Construction Loan have been disbursed to Developer or such lesser amount as is needed by the Developer to complete the Revised Approved Scope of Construction while satisfying the 50-percent aggregate basis test under Section 42(h)(4)(B) of the Internal Revenue Code; and (B) that the Developer has satisfied the 50-percent aggregate basis test under Section 42(h)(4)(B) of the Internal Revenue Code, accompanied by a copy of the recorded Notice of Completion and a copy of the sign-off from the Department of Building Services. So long as the City finds, to its reasonable satisfaction, that the conditions set forth herein have been satisfied, the City shall fund the Completion Component.

(b) Notwithstanding any other provisions of this Agreement, the City shall have no further obligation to disburse any portion of the Loan to the Developer following: (1) termination of this Agreement; or (2) notification by the City to the Developer of a Default under the terms of this Agreement.

Section 2.10 Conversion Component Disbursement Requirements.

(a) The Conversion Component of the Loan shall be disbursed in accordance with the following provisions of this Section 2.10 and Section 2.11 below. The City shall not be obligated to make any disbursements of the Conversion Component of the Loan unless the following conditions precedent are satisfied prior to such disbursement of the Loan or will be satisfied concurrently with the City's disbursement:

(1) The Developer has met all the requirements for disbursement of the Completion Component pursuant to Section 2.9 and the City has disbursed the Completion Component;

(2) There exists no Default nor any act, failure, omission, or condition that would constitute an event of Default under this Agreement;

(3) Developer has converted the Construction Loan from a construction loan to a permanent loan and paid it down to an approximate balance of One Million Five Hundred Twenty-Three Thousand Dollars ($1,523,000);

(4) If and as requested by the City, the title insurer has issued an LP-10 rewrite of the City's 2006 ALTA Lender's Policy of Insurance insuring the priority of the Deed of Trust in the amount of the Loan, free of all mechanics liens related to the construction of the Development, and subject only to such exceptions and exclusions as may be reasonably acceptable to the City, and containing such endorsements as the City may reasonably require; the City shall be entitled to review and approve any and all releases of mechanics liens whether or not it obtains title insurance coverage.

(5) The undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that the Developer has obtained in connection with the Development, are not less than the amount that the City determines is necessary to pay for construction of the

Development and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement; and

(6) The City has received a written draw request from the Developer, including certification that the conditions set forth in Section 2.7(a) and Section 2.7(b) continue to be satisfied, and setting forth the proposed uses of funds consistent with the Approved Development Budget, the amount of funds needed, and where applicable, a copy of the bill or invoice covering costs incurred or to be incurred.

(b) Notwithstanding any other provisions of this Agreement, the City shall have no further obligation to disburse any portion of the Loan to the Developer following: (1) termination of this Agreement; or (2) notification by the City to the Developer of a Default under the terms of this Agreement.

Section 2.11 Disbursement of Project Cost Savings

(a) The Parties agree that if and to the extent the Developer is able to achieve Project Cost Savings, determined prior or concurrently with the disbursement of the Completion Component, the Project Cost Savings will be allocated in the following manner:

(1) Up to the first Two Hundred Thousand Dollars of Project Cost Savings shall be allocated to the Developer to pay up to Two Hundred Thousand Dollars ($200,000) of the Developer Fee up to the maximum amount permitted under Section 4.12;

(2) Twenty percent (25%) of the remaining Project Cost Savings shall be disbursed to the Developer to pay an incentive fee to the Developer's general contractor; and

(3) Seventy-five percent (75%) of the remaining Project Cost Savings shall be used to reduce the Completion Component.

(b) The reduction in the Completion Component shall be made pursuant to the following procedure: Following the completion of the construction and as a precondition of the City funding the Completion Component, Developer shall submit an accounting of the actual acquisition and construction costs incurred and a comparison chart of those costs to the Approved Project Budget, highlighting any cost savings realized by Developer. The Completion Component shall be adjusted downward in an amount equal to the Project Cost Savings.

Section 2.12 Determination of Final Conversion Component Disbursement

(a) The Parties agree that the Conversion Component may be reduced to reflect:

(1) cost savings on relocation expenses below the amount of Four Hundred Thousand Dollars ($400,000) listed in the Approved Development Budget ("Relocation Cost Savings");

(2) increases in investor equity contribution above the Three Million Eight Hundred Fifty-One Thousand Dollars ($3,851,000) of investor tax credit equity as set forth in the Final Financing Plan (the "Increased Tax Credit Equity"); and

(3) increases in any financing (including loans and grants) above the amounts shown in the Final Financing Plan (the "Increased Funding Sources").

(b) The reduction in the Conversion Component shall be made pursuant to the following procedure: Following the completion of the construction and as a precondition of the City funding the Conversion Component, Developer shall submit an accounting of: (1) actual relocation costs incurred plus its best projection of additional relocation costs to be incurred in the future, and (2) actual total tax credit equity contribution or its best projections of the total tax credit equity contribution, and (3) actual total grants and loans or its best projections of additional financing sources. The Conversion Component shall be adjusted downward in an amount equal to the projected Relocation Cost Savings plus the Increased Tax Credit Equity plus the Increased Funding Sources.

Section 2.13 Repayment of the Loan.

The Loan shall be repaid as follows:

(a) Annual Payments. Subject to the terms of Section 2.13(b) below, commencing on April 1, following Completion of Construction of the Development (but in no event later than April 1, 2012) and on April 1 of each year thereafter for the Term, the Developer shall make repayments of the Loan in the amount of the City's Share of Residual Receipts as defined below. Payment of the City's Share of Residual Receipts shall be credited first against accrued interest and then against outstanding principal, and shall be accompanied by the Developer's report of Residual Receipts (including an independent auditor's report regarding the auditor's review of Annual Operating Expenses). Each payment shall be accompanied by the City's form of Residual Receipts Report in the form attached hereto as Exhibit K. The Developer shall provide the City with any documentation reasonably requested by the City to substantiate the Developer's determination of Residual Receipts.

(b) Special Repayment from Net Proceeds of Permanent Financing. One Hundred percent (100%) of Net Proceeds of Permanent Financing shall be paid to the City as a special repayment of the Loan.

(c) Determination of Net Proceeds of Permanent Financing. The amount of the Net Proceeds of Permanent Financing shall be determined by the Developer and submitted to the City for approval on the date the Developer submits the final cost audit for the Development to the TCAC. The amount of the Net Proceeds of Permanent Financing shall be calculated using the actual principal amount of the permanent loans and/or grants made to Developer, provided that Developer provides sufficient evidence that the permanent loan is the maximum principal amount that Developer could secure for the Development applying reasonable underwriting standards. The Developer shall also submit to the City any additional documentation sufficient to verify the amount of the Net Proceeds of Permanent Financing. The City shall reasonably approve or disapprove Developer's determination of the amount of the Net Proceeds of

Permanent Financing in writing within sixty (60) days of the receipt of Developer's cost audit and supplemental documentation. If Developer's determination is disapproved by the City, Developer shall re-submit documentation to the City until the City approval is obtained. The City's share of the Net Proceeds of Permanent Financing shall be due the City from the Developer no later than five (5) days following the date Developer closes the permanent financing for the Development. The City Administrator or designee is authorized to approve a reduced Special Repayment from Net Proceeds of Permanent Financing of the Loan pursuant to this subsection in the event the City Administrator or designee determines in the City Administrator or designee's sole and absolute discretion that such funds are required to pay project costs reasonably incurred by Developer and approved by the City pursuant to the Financing Plan.

(d) Due in Full. All principal and accrued interest on the Loan shall be due in full on the earliest to occur of: (1) the date of any Transfer not authorized by the City, (2) the date of any Default, or (3) the expiration of the Term.

(e) Right to Prepay. The Developer shall have the right to prepay the Loan at any time without premium or penalty. However, this Agreement and the City Regulatory Agreement shall remain in effect for the entire Term regardless of any prepayment.

(f) Special Definitions. The following definitions shall apply for purposes of this Section 2.13:

(1) "City's Share of Residual Receipts" shall mean fifty percent (50%) of Residual Receipts.

(2) "Annual Operating Expenses" with respect to a particular calendar year shall mean the following costs reasonably and actually incurred for operation and maintenance of the Development to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles:

(i) property taxes and assessments imposed on the Development;

(ii) debt service currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Development) on loans associated with the Demolition Work and Construction and approved by the City;

(iii) property management fees and reimbursements, not to exceed fees and reimbursements which are standard in the industry, and pursuant to a management contract approved by the City;

(iv) premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, and trash collection; maintenance and repair;

(v) any annual license or certificate of occupancy fees required for operation of the Development;

(vi) security services;

(vii) advertising and marketing;

(viii) fees for resident services in the annual amount approved by the City in the Resident Services Budget;

(ix) cash deposited into reserves for capital replacements of the Development in an amount to be approved by the City as part of the Final Financing Plan;

(x) cash deposited into an operating reserve in an amount to be approved by the City as part of the Final Financing Plan and annual operating budgets, but with the operating reserve capped at six (6) months of gross rent from the Development (as such rent may vary from time to time);

(xi) asset management fee in the amount of Fifteen Thousand Dollars ($15,000) subject to an annual adjustment not to exceed three and one half percent (3.5%);

(xii) for the first fifteen (15) years of the Term, a partnership management fee in the amount of Five Thousand Dollars ($5,000) subject to an annual adjustment not to exceed three and one half percent (3.5%);

(xiii) deferred developer fee in an amount to be approved by the City as part of the Final Financing Plan;

(xiv) municipal services fee, if any, paid pursuant to Section 5.2 below;

(xv) extraordinary operating costs specifically approved by the City; and

(xvi) payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves,

(xvii) reasonable accounting fees and legal fees; and

(xviii) other ordinary and reasonable operating expenses approved by the City and not listed above.

"Annual Operating Expenses" shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account.

(3) "Gross Revenue," with respect to a particular calendar year, shall mean all revenue, income, receipts, and other consideration actually received from operation and leasing of the Development. "Gross Revenue" shall include, but not be limited to:

(i) all rents, fees and charges paid by tenants, Section 8 payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all

cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income;

(ii) the proceeds of business interruption or similar insurance;

(iii) the fair market value of any goods or services provided in consideration for the leasing or other use of any portion of the Development

(iv) subject to the rights of Senior Lenders, the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Development (or applied toward the cost of recovering such proceeds); and

(v) condemnation awards for a taking of part or all of the Development for a temporary period.

"Gross Revenue" shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

(4) "Residual Receipts" in a particular calendar year shall mean the amount by which Gross Revenue (as defined above) exceeds Annual Operating Expenses (as defined above).

Section 2.14 Reports and Accounting of Residual Receipts.

(a) Audited Financial Statement. In connection with the annual payments required pursuant to Section 2.13(a), within one hundred twenty (120) days of the end of the Developer's fiscal year, the Developer shall furnish to the City an audited statement duly certified by an independent firm of certified public accountants approved by the City, setting forth in reasonable detail the computation and amount of Residual Receipts during the preceding calendar year.

(b) Books and Records. The Developer shall keep and maintain on the Property, or at its principal place of business, or elsewhere with the City's written consent, full, complete and appropriate books, records and accounts relating to the Development, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail the Developer's calculation of Residual Receipts. Books, records and accounts relating to the Developer's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied, and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the City, its auditors or other City authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that the Developer may be required to furnish any governmental agency shall at all reasonable times, and upon twenty-four (24) hours notice, be open for inspection by the City at the place that the books, records and accounts of the Developer are kept. The Developer shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (c) below then pending.

(c) Audits. The receipt by the City of any statement pursuant to subsection (a) above or any payment by the Developer or acceptance by the City of any loan repayment for any period shall not bind the City as to the correctness of such statement or such payment. Within three (3) years after the receipt of any such statement, the City or any designated agent or employee of the City at any time shall be entitled to audit the Residual Receipts and all books, records, and accounts pertaining thereto. Such audit shall be conducted during normal business hours at the principal place of business of the Developer and other places where records are kept. Immediately after the completion of an audit, the City shall deliver a copy of the results of such audit to the Developer. If it shall be determined as a result of such audit that there has been a deficiency in a loan repayment to the City, then such deficiency shall become immediately due and payable with interest at the default rate set forth in this Agreement, determined as of and accruing from the date that said payment should have been made. In addition, if the Developer's auditor's statement for any Development fiscal year shall be found to have understated Residual Receipts by more than five percent (5%) and at least Five Thousand Dollars ($5,000), and the City is entitled to any additional Loan repayment as a result of said understatement, then the Developer shall pay, in addition to the interest charges referenced hereinabove, all of the City's reasonable costs and expenses connected with any audit or review of the Developer's accounts and records.

Section 2.15 Non-Recourse.

Except as provided below, the Developer shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan. Following recordation of the Deed of Trust, the sole recourse of the City with respect to the principal of, and interest on, the Note shall be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall: (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the City thereunder; (b) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto; (c) be deemed in any way to limit the rights of the City to obtain specific performance by the Developer of its covenants under the Loan Documents, other than the covenants to pay the City principal and interest due under the Note. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note; nothing contained herein is intended to relieve the Developer of its obligation to indemnify the City under Sections 4.5(c), 5.6, and 8.5 of this Agreement, or liability for: (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Developer other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development.

Section 2.16 Reserved.

ARTICLE 3
PREDEVELOPMENT CONDITIONS

Section 3.1 Predevelopment Conditions.

(a) This Article 3 sets forth various predevelopment conditions that the Developer shall seek diligently and in good faith to perform and achieve prior to the Commencement of Demolition Work and Construction. Satisfaction of these conditions depends on performance by the Developer. Only the City can waive satisfaction of the conditions in this Article 3.

(b) The tasks described below shall be completed no later than the dates set forth in the Schedule of Performance attached to this Agreement as Exhibit C, subject to Force Majeure. The Schedule of Performance may be modified by Operating Memoranda executed by the Developer and by the Executive Director on behalf of the City without formal amendment of this Agreement.

Section 3.2 Approved Development Budget.

The Approved Development Budget is version of the final agreed upon budget for the Development. The proposed budget is attached to this Agreement as Exhibit B.

Section 3.3 Scope of Demolition Work and Construction.

(a) As of the date of this Agreement, the Developer has submitted and the City has approved demolition work plans and a scope of development which describes the basic physical characteristics of the Demolition Work and Construction to be performed with respect to the Development (the "Approved Scope of Development") which is attached to the Agreement as Exhibit D.

(b) The Approved Scope of Development includes an asbestos remediation plan prepared by a registered asbestos abatement contractor and lead-based paint abatement plan prepared by a registered lead-based paint abatement contractor pursuant to the Approved Demolition Plans.

(c) The Developer shall submit any material revision to the Approved Scope of Development to the City for its review and approval, which approval shall be at the sole and absolute discretion of the City. Until a revised Approved Scope of Development is approved by the City, the previous Approved Scope of Development shall govern the financing of the Development.

Section 3.4 Reserved.

Section 3.5 Demolition Work and Construction Plans.

(a) As of the date of this Agreement, the City has approved the plans and specifications for the construction of the Development, including all construction documentation

upon which the Developer and the Developer's contractor shall rely in performing the Demolition Work and Construction, including, but not necessarily limited to, final architectural drawings, landscaping plans and specifications, final elevations, building plans and specifications (also known as "working drawings") (collectively the "Approved Demolition Work Plans"). Developer has proposed Demolition Work Plans attached to the Agreement as Exhibit E. The City by the Economic Development Department under this Agreement review is separate and does not constitute approval by the City as a governmental authority under planning, building and safety and in no way limits the discretion of the City in reviewing and making decisions regarding any discretionary or other permits required for the Development.

(b) The Developer has disclosed to the City that asbestos and lead-based paint exists on the Property. The Developer represents and warrants to the City that the Approved Demolition Work Plans include any necessary measures identified in the Scope of Development for the containment or removal of asbestos existing on the Property. The Developer also represents and warrants to the Developer that the Approved Demolition Work Plans, also indentify any necessary measures identified for remediation of any other hazardous materials located at the Property or identified in a Phase I or Phase II environmental site assessment.

Section 3.6 Applicable Governmental Approvals.

(a) Within the time set forth in the Schedule of Performance, the Developer shall apply for the Applicable Governmental Approvals necessary for performance of the Demolition Work and Construction in accordance with the City approved Scope of Development and in the manner contemplated by the Loan Documents. Only upon delivery of evidence of application for all Applicable Governmental Approvals to the City shall the condition of this Section 3.6(a) be deemed satisfied. If the Developer fails to deliver such evidence within the time set forth in the Schedule of Performance, the Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable.

(b) The Developer shall thereafter exercise diligent good faith efforts to obtain all Applicable Governmental Approvals necessary for construction of the Development and the operation of the Development within the time set forth in the Schedule of Performance. Only upon delivery of evidence of receipt of all applicable Governmental Approvals to the City shall the condition of this Section 3.6(b) be deemed satisfied. If the Developer fails to deliver such evidence within the time set forth in the Schedule of Performance, the Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable.

(c) The Developer acknowledges that execution of this Agreement by the City does not constitute approval by the City of any required Applicable Governmental Approvals and in no way limits the discretion of the City in the permit, allocation and approval process.

Section 3.7 Tax-Exempt Bond Application.

(a) Within the time set forth in the Schedule of Performance, the Developer shall submit a timely and complete application to CDLAC for a preliminary allocation of tax-exempt bonds, the net proceeds of which are intended to serve as the Construction Loan (as defined below) to pay costs of the Demolition Work and Construction. If the Developer is not successful

in obtaining an allocation of tax-exempt bonds in its first application, the Developer shall submit a second application within the time set forth in the Schedule of Performance. Only upon delivery of evidence of the CDLAC application to the City shall this condition of Section 3.7(a) be deemed satisfied. If the Developer fails to deliver such evidence or the Developer is unsuccessful at obtaining an allocation of tax-exempt bonds within the time set forth in the Schedule of Performance, the Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable.

(b) Upon award of the preliminary allocation from CDLAC, within the time set forth in the Schedule of Performance, the Developer shall exercise diligent good faith efforts to obtain a reputable lender reasonably acceptable to the City. The lender will purchase or sell the tax-exempt bonds and provide the Construction Loan to pay costs of the Demolition Work and Construction using the net proceeds of the tax-exempt bond in a form reasonably acceptable to the City. The City shall review and reasonably approve or disapprove of the submitted lender information within ten (10) days after submission. If City disapproves the lender or Construction Loan terms, it shall specify in writing the reasons for such disapproval. The Developer shall thereafter submit a new lender and/or Construction Loan terms for City approval within fifteen (15) days of notification of disapproval. The City shall either approve or disapprove the new lender and/or Construction Loan terms within fifteen (15) days of submission. If the City disapproves the lender or Construction Loan terms, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable. Only upon City approval of the lender and Construction Loan terms shall the conditions of this Section 3.7 (b) be deemed satisfied.

Section 3.8 Tax Credit Applications.

Within the time set forth in the Schedule of Performance, the Developer shall submit a timely and complete application to TCAC for a preliminary reservation of Nine Percent (9%) tax credits to pay costs of the Demolition Work and Construction. If the Developer is not successful in obtaining a reservation of tax credits from TCAC in its first application, the Developer shall submit a second application within the time set forth in the Schedule of Performance. Only upon delivery of evidence of the TCAC application to the City, shall the requirements of this Section 3.8 be deemed satisfied. If the Developer fails to deliver such evidence or the Developer is unsuccessful in obtaining a preliminary reservation within the time set forth in the Schedule of Performance, the Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable.

Section 3.9 Tax Credit Investors Bids

Upon award of the preliminary reservation from TCAC, within the time set forth in the Schedule of Performance, the Developer shall exercise diligent good faith efforts to obtain a funding commitment from a reputable equity investor reasonably acceptable to the City. Developer shall solicit at least three (3) bids from prospective tax credit investors and submit all bids received for City approval. Such funding commitment shall be in a form reasonably acceptable to the City. The City shall review and reasonably approve or disapprove of the submitted equity information within fifteen (15) days after submission. If City disapproves the equity investor or funding commitment, it shall specify in writing the reasons for such disapproval. The Developer shall thereafter submit a new equity investor and/or funding

commitment for City approval within fifteen (15) days of notification of disapproval. The City shall either approve or disapprove the new equity investor and/or funding commitment within fifteen (15) days of submission. If the City reasonably disapproves the equity investor or funding commitment, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable. Only upon City approval of the equity investor and funding commitment shall the condition of this Section 3.9 be deemed satisfied.

Section 3.10 Other Approved Financing.

(a) The Developer is required to apply for and utilize, to the extent available, Affordable Housing Program Funds ("AHP Loan") administered by the Federal Home Loan Bank, HOME Loan Funds ("HOME Loan") from the City pursuant to the AHA, Multifamily Housing Program Loan Funds ("MHP Loan") administered by the California Department of Housing and Community Development, and other sources of permanent financing to partially finance the Development.

(b) AHP Loan. The Developer shall submit a timely and complete application for the AHP Loan which is subject to a competitive application process implemented by the Federal Home Loan Bank of San Francisco and its member institutions. To satisfy the requirements of this Section 3.10(b), the Developer shall submit a timely and complete AHP Loan application for Affordable Housing Program's 2012 Round A Application due no later than April 1, 2012 Round A application deadline. If the Developer does not receive an AHP Loan in the 2012 Round A Application cycle, then the Developer shall submit a timely and complete application for the 2012 Round B Application cycle due no later than October 1, 2012. If the Developer does not receive an AHP Loan Commitment in the 2012 Round B Application cycle, then the City may confer with the Developer in good faith for a period not to exceed sixty (60) days to determine if the Developer should submit a further application for an AHP Loan in a subsequent application round or if a feasible and mutually acceptable alternate arrangement can be made to finance the construction of the Development. Any agreement that is reached between the parties regarding an alternative financing plan for the construction of the Development shall be memorialized in an amendment to this Agreement. Submitting a timely and complete application for an AHP Loan shall be a condition precedent to the City's obligation to disburse the Demolition and Construction Component.

(c) HOME Loan. The Developer shall submit a timely and complete application for a HOME Loan which is administered through the City. To satisfy the requirements of this Section 3.10(c) the Developer shall submit a timely and complete HOME Loan application. Any agreement that is reached between the parties regarding an alternative financing plan for the Demolition Work and Construction of the Development shall be memorialized in an amendment to this Agreement. Submitting a timely and complete application for a HOME Loan shall be a condition precedent to the City's obligation to disburse the Demolition and Construction Component.

(d) MHP Loan. The Developer shall submit a timely and complete application for an MHP Loan which is administered through the California Department of Housing and Community Development Notice of Funding Availability process administered through the California Department of Housing and Community Development. To satisfy the requirements of

this Section 3.10(d) the Developer shall submit a timely and complete MHP Loan application pursuant to the Notice of Funding Availability process administered by the California Department of Housing and Community Development for 2011 MHP Loan funds. If the Developer does not receive a MHP Loan commitment in the 2011 Notice of Funding Availability process, then the City may confer with the Developer in good faith for a period not to exceed sixty (60) days to determine if the Developer should submit a further application for a MHP Loan in a subsequent Notice of Funding Availability application rounds or if a feasible and mutually acceptable alternate arrangement can be made to finance the construction of the Development. Any agreement that is reached between the parties regarding an alternative financing plan for the construction of the Development shall be memorialized in an amendment to this Agreement. Submitting a timely and complete application for a MHP Loan shall be a condition precedent to the City's obligation to disburse the Demolition and Construction Component.

(e) Other Financing. As set forth in the Schedule of Performance, in addition to the Tax Credit Funds all other financing necessary to construct the Development, as required and approved by the City in the Financing Plan, shall be closed by the Developer prior to, or simultaneously with the funding of the Demolition and Construction Component. The Developer shall also submit to the City evidence reasonably satisfactory to the City that any conditions to the release or expenditure of funds described in the approved Financing Plan as the sources of funds to pay the costs of constructing the Development have been met or will be met subject to the Developer's satisfaction of standard disbursement preconditions required to be satisfied on a periodic basis, for constructing the Development. Submission by the Developer, and approval by the City, of such evidence of funds availability shall be a condition precedent to the City's obligation to disburse the Demolition and Construction Component.

Section 3.11 Final Financing Plan.

(a) Within the time set forth in the Schedule of Performance the Developer shall submit for City approval a "Final Financing Plan" containing the following:

(1) An updated Project Budget showing a "sources and uses" breakdown of the costs of Demolition Work and Construction and related development costs based on a Financing Proposal previously approved by the City.

(2) An operating proforma for the first thirty (30) years of operation of the Development including funding for the provision of resident services. If the Development does not have a rental subsidy committed, the Final Financing Plan shall demonstrate that the target population can pay the proposed rents.

(3) Copies of all required funding commitments for performing the Demolition Work and Construction consistent with the Project Budget, including approval of the Construction Loan lender, and a preliminary tax credit reservation and an executed commitment letter from a tax credit equity investor acceptable to the City. The funding for the Demolition Work and Construction shall include, but not be limited to, the following: (i) tax-exempt bond proceeds, (ii) nine percent (9%) tax credits, (iii) AHP Loan funds, from the Federal Home Loan Bank of San Francisco or a member institution (if available), (iv) HOME Loan funds from the

City, and (v) any other private and public funds that may become available. The Developer shall submit evidence of its efforts to receive competitive pricing on the Tax Credits and proof of application for a HOME Loan, an AHP Loan, a MHP Loan, and other conventional loans as required under Section 3.8, 3.9 and 3.10 respectively;

(4) Any other information that is reasonably necessary to the City in determining that the Developer has the financial capability to pay all costs of completing the Demolition Work and Construction in accordance with the requirements of this Agreement.

(b) The City shall review the Final Financing Plan to determine if, in the City's reasonable judgment, the Developer has the financial capability (taking into account all committed funds), to pay all realistically established costs of constructing and operating the Development. The City shall review the Final Financing Plan and shall either approve or disapprove the Final Financing Plan in writing within fifteen (15) days of receipt. If disapproved, the City shall give specific reasons in writing for disapproval and the required revisions to the previously submitted Final Financing Plan. If the Final Financing Plan is disapproved, the Developer shall resubmit, a revised Final Financing Plan within fifteen (15) days of notification of disapproval. The City shall either approve or disapprove the submitted revised Final Financing Plan within fifteen (15) days of the date such revised Final Financing Plan is received by the City.

(c) If the City disapproves the revised Final Financing Plan, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable. Only upon City approval of a Final Financing Plan shall the condition of this Section 3.11 be deemed satisfied.

(d) The Developer shall submit any material revision to an approved Final Financing Plan to the City for its review and approval. Any proposed revised Final Financing Plan shall be considered and approved or disapproved by the City in the same manner and according to the same timeframe set forth above for the initial Final Financing Plan. Until a revised Final Financing Plan is approved by the City, the previously approved Final Financing Plan shall govern the financing of the Development.

(e) The Developer acknowledges that execution of this Agreement by the City does not constitute a commitment by the City to provide any additional financial assistance to the Developer and in no way limits the discretion of the City to determine any future assistance amounts.

(f) Under Section 33334.3(j) of the Redevelopment Law, Housing Funds may not be used to the extent that other reasonable means of private or commercial financing of affordable housing units are available, and, prior to the expenditure of Housing Fund monies to fund more than fifty percent of the cost of producing affordable housing units the City may make a finding that the use of the Housing Funds is necessary because the Developer has been unable to obtain commercial or private financing despite good faith efforts. At the time of this Agreement, it is projected that the Loan may constitute more than fifty percent of the cost of producing the units in the Development. As required under Section 3.10 of this Agreement, the Developer must continue to apply for commercial, private and public financing commitments that may reduce the City's contribution to below fifty percent of the cost of producing the units in the Development,

and is further required to submit to the City substantial evidence of good faith efforts to obtain such funding commitments to the extent they are available to finance the units in the Development at the same level of affordability and quantity as prescribed in the Amended City Regulatory Agreement. Prior to disbursing the Loan, the City Administrator or designee, shall make a reasonable determination, based on substantial evidence, (1) as to whether the Developer's has made sufficient efforts to obtain additional financing commitments for the Development, and (2) if applicable, as to whether the Loan is necessary to finance the construction of the units in the Development at the same level of affordability and quantity as prescribed in the Regulatory Agreement.

Section 3.12 Management and Marketing Plan.

(a) Within the time set forth in the Schedule of Performance, the Developer shall submit to the City for review, a proposed management and marketing plan (the "Management and Marketing Plan") for the leasing and operation of the Development.

(b) The City shall review the revised Management and Marketing Plan and either reasonably approve or disapprove the Management and Marketing Plan within fifteen (15) days after receipt. Any disapproval shall state in writing the specific reasons for the disapproval and specify in reasonable detail all of the changes the City requests be made in order to obtain approval. The Developer shall thereafter submit the revised Management and Marketing Plan within fifteen (15) days of notification of disapproval. The City shall either approve or disapprove the submitted revised Management and Marketing Plan within fifteen (15) days of the date such revised Management and Marketing Plan is received by the City, and shall approve the revised Management and Marketing Plan if the requested changes have been made.

(c) If the City disapproves the revised Management and Marketing Plan, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable. Only upon City approval of the revised Management and Marketing Plan shall the condition of this Section 3.12 be deemed satisfied.

Section 3.13 Construction Contract.

(a) Developer shall competitively bid the construction contract for the Demolition Work and Construction, and submit copies of at least three (3) hard bids to the City for review and approval prior to accepting any bid.

(b) Within the time set forth in the Schedule of Performance the Developer, shall submit for City approval, copies of all general contractor construction bids and a construction contract for the performance of the Demolition Work and Construction between the Developer and a reputable, qualified construction contractor reasonably acceptable to the City (the "Construction Contract"). The City shall review the construction bids and Construction Contract to determine if it: (1) provides for performance of the Demolition Work and Construction in accordance with the Applicable Government Approvals and the approved Demolition Work Plans; (2) provides for costs of the Demolition Work and Construction within the Project Budget approved by the City as part of the approved Final Financing Plan pursuant to Section 3.11; and (3) otherwise complies with the terms of the Loan Documents.

(c) The City shall either reasonably approve or disapprove the submitted Construction Contract within ten (10) days from the date the City receives the Construction Contract. If the proposed Construction Contract is not approved by the City, then the City shall notify the Developer in writing of the reasons for disapproval and the required revisions to the previously submitted Construction Contract. The Developer shall thereafter submit a revised Construction Contract within ten (10) days of the notification of disapproval. The City shall either approve or disapprove the submitted revised Construction Contract within ten (10) days of the date such revised Construction Contract is received by the City. The City shall approve an initial or revised Construction Contract if it meets the standards set forth in subsection (b) this Section 3.13 and is with a licensed and experienced General Contractor.

(d) The construction contract will provide for a maximum fee to be charged by the General Contractor and will set forth the process by which the General Contractor, the Developer and the City representative will together review bids from and select each subcontractor for any subcontracts exceeding $25,000. The General Contractor will be responsible for requesting at least three bids for each subcontractor. Together all parties will select the subcontractor, for each subcontract exceeding $25,000, to complete the work. Each party will have two business days to review and respond to the subcontractor bids.

(e) If the City reasonably and in good faith disapproves the revised proposed Construction Contract or any of the subcontractor bid selections, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable. Only upon City approval of a Construction Contract shall the condition of this Section 3.13 be deemed satisfied.

Section 3.14 Building Permit.

(a) Within the time set forth in the Schedule of Performance, the Developer shall apply for a building permit for the Demolition Work and Construction. Upon delivery of evidence of application for such permit to the City this condition shall be considered satisfied. If the Developer fails to deliver such evidence within the time set forth in the Schedule of Performance the Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable.

(b) The Developer shall exercise diligent good faith efforts to obtain the building permit for the Demolition Work and Construction within the time set forth in the Schedule of Performance. Upon delivery of evidence of receipt of such permit to the City this condition shall be considered satisfied. If the Developer fails to deliver such evidence within the time set forth in the Schedule of Performance the Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2, as applicable.

Section 3.15 Insurance.

(a) Within the time set forth in the Schedule of Performance the Developer shall submit to the City "Evidence of Insurance Coverage" meeting the general requirements set forth in Section 5.13 below. The City shall review and reasonably approve or disapprove of the Evidence of Insurance Coverage not less than ten (10) days after submission of complete information in the form required by City. If City disapproves the Evidence of Insurance

coverage, it shall specify in writing the reasons for such disapproval. The Developer shall resubmit the information required within ten (10) days of the notification of disapproval. The City shall either approve or disapprove the submitted revised evidence of insurance within ten (10) days of the date such revised information is received by the City. No work shall be initiated on the Development prior to receipt of City's approval.

(b) If the City reasonably and in good faith disapproves the revised insurance information, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2 below as applicable. Only upon City approval of the insurance coverage shall the condition of this Section 3.15 be deemed satisfied.

Section 3.16 Performance and Payment Bonds.

(a) Within the time set forth in the Schedule of Performance, the Developer shall deliver to the City copies of labor and material bonds and performance bonds for the Demolition Work and Construction in an amount equal to one hundred percent (100%) of the scheduled cost of the Demolition Work and Construction (the "Construction Bonds"). Such bonds shall: (1) be in a form reasonably acceptably to the City, (2) be issued by a surety licensed to do business in California and reasonably acceptable to the City, and (3) name the City as a co-obligee.

(b) The City shall either reasonably approve or disapprove the submitted proposed Construction Bonds within fifteen (15) days from the date the City receives the Construction Bonds. If the proposed Construction Bonds are not approved by the City, then the City shall notify the Developer in writing of the reasons for disapproval and the required revisions to the previously submitted Construction Bonds. The Developer shall thereafter submit revised proposed Construction Bonds within fifteen (15) days of the notification of disapproval. The City shall either approve or disapprove the submitted revised Construction Bonds within fifteen (15) days of the date such revised Construction Bonds are received by the City. The City shall approve the initial or revised Construction Bonds if they meet the standards set forth in subsection (a) of this Section 3.16.

(c) If the City reasonably and in good faith disapproves the revised Construction Bonds, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2 below as applicable. Only upon City approval of the Construction Bonds shall the condition of this Section 3.16 be deemed satisfied.

Section 3.17 Resident Services, Plan and Budget.

(a) Within the time set forth in the schedule of Performance, the Developer shall furnish to the City a draft Resident Services Plan and Resident Services Budget for the initial year of operating following completion of the Demolition Work and Construction. Upon receipt by the City of the proposed Resident Services Plan and Resident Services Budget, the City shall promptly review the same and approve or disapprove it within ten (10) working days. If the Resident Services Plan and/or Resident Services Budget are not approved by the City, the City shall set forth in writing and notify the Developer of the City's reasons for withholding such approval, which may include a request by the City for a change in the nature or scope of resident services or a change in service provider.

(b) The Developer shall thereafter submit a revised Resident Services Plan and/or Resident Services Budget for City approval pursuant to the terms of Section 3.7 of the Regulatory Agreement.

Section 3.18 Evidence of Availability of Funds.

Within the time set forth in the Schedule of Performance, the Developer shall submit to the City evidence reasonably satisfactory to the City that any conditions to release or expend funds described in the approved Final Financing Plan for the purpose of paying the costs of the Demolition Work and Construction have been satisfied or will be satisfied at the time of Commencement of Demolition Work and Construction set forth in Section 4.3 below. The City shall either reasonably approve or disapprove the submitted information within fifteen (15) days from the date the City receives the information. Only upon approval of such evidence in a form satisfactory to the City shall the condition of this Section 3.18 be deemed satisfied. If the City disapproves the evidence of funding availability, this Agreement may be terminated by the City pursuant to Section 7.1 or Section 7.2 below as applicable.

ARTICLE 4
DEMOLITION WORK AND CONSTRUCTION OF THE DEVELOPMENT

Section 4.1 Permits and Approvals.

All permits and approvals necessary for the development of the Improvements on the Property must be received no later than the dates set forth in the Schedule of Performance, or the City, at its option, and with thirty (30) days prior written notice to the Developer and opportunity to cure, may declare Developer in default hereunder.

Section 4.2 Approved Scope of Development.

As of the date of this Agreement, the City has approved the Approved Scope of Work, attached hereto as Exhibit D. Prior to commencement of construction, Developer shall obtain approval of a Development Review Permit from the City's Development Services Department and shall implement all improvements required pursuant to those approvals.

Section 4.3 Commencement of Demolition Work and Construction.

The Developer shall cause the Commencement of the Demolition Work and Construction in a manner consistent with the approved Demolition Work Plans and all Applicable Governmental Approvals no later than the date set forth in the Schedule of Performance, subject to Force Majeure.

Section 4.4 Completion of Demolition Work and Construction.

The Developer shall diligently complete the Demolition Work and Construction in a manner consistent with the Approved Demolition Work Plans and shall cause Completion of Demolition Work and Construction to occur no later than the date set forth in the Schedule of Performance, subject to Force Majeure.

Section 4.5 Performance of Work Pursuant to Plans and Laws; Prevailing Wages.

(a) Changes. The Developer shall complete the Demolition Work and Construction in conformance with the Demolition Work Plans approved by the City. The Developer shall notify the City in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the Demolition Work Plans. A written change order authorized by the City must be obtained before any of the following changes, additions, or deletions in Demolition Work and Construction may be performed: (1) any change in the Demolition Work the cost of which exceeds Twenty-Five Thousand Dollars ($25,000); or (2) any set of changes in the Demolition Work the cost of which cumulatively exceeds Fifty Thousand Dollars ($50,000); or (3) any material change in building materials or equipment, specifications, or the structural or architectural design or appearance of the Development as provided for in the Demolition Work Plans. City consent to any additions, changes, or deletions to the work (collectively, "Changes") shall not relieve or release the Developer from any other obligations under this Agreement, or relieve or release the Developer or its surety from any surety bond. City consent to any Changes does not relieve the Developer from any requirements to receive approval from the City for such Changes. The City shall utilize best efforts to approve or disapprove change orders within five (5) working days of receipt of a request for approval.

(b) Compliance with Laws. The Developer shall cause all Demolition Work and Construction performed in connection with the Development to be performed in compliance with: (1) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, including (without limitation and to the extent applicable) the prevailing wage provisions of Sections 1770 et seq., of the California Labor Code and implementing rules and regulations, and (2) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Developer shall be responsible to the City for the procurement and maintenance thereof, as may be required of the Developer and all entities engaged in work on the Development.

(c) State Prevailing Wages. This Agreement has been prepared with the intention that the City assistance under this Agreement meets the exceptions set forth in Labor Code Section 1720(c)(6)(E) to the general requirement that state prevailing wages be paid in connection with construction work that is paid for in whole or in part out of public funds; provided, however, that nothing in this Agreement constitutes a representation or warranty by any party regarding the applicability of the provisions of Labor Code Section 1720 et seq., and the hiring of apprentices pursuant to Labor Code Section Sections 1777.5 et seq., and the Developer shall comply with any laws related to construction wages pursuant to Labor Code Section 1720 et seq., and Labor Code Section Sections 1777.5 et seq., and implementing regulations of the Department of Industrial Relations (the "DIR"), as required by the Approved Financing, if and to the extent applicable to the Development. As applicable, the Developer shall pay and shall cause the contractor and subcontractors to pay prevailing wages in connection with the Demolition Work and Construction, as those wages are determined pursuant to Labor Code

Sections 1720 et seq., to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the Department of Industrial Relations (the "DIR"). The Developer shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including the Developer, its contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., to employ apprentices pursuant to Labor Code Sections 1777.5 et seq., and implementing regulations of the DIR or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and the implementing regulations of the DIR in connection with the Demolition Work and Construction or any other work undertaken or in connection with the Development. The requirements in this Subsection shall survive the repayment of the Loan, and the reconveyance of the Deed of Trust.

(d) Accessibility Requirements. The Developer shall construct the Development to comply with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act, Section 504 of the Construction Act of 1973, Title II and/or Title III of the Americans with Disabilities Act of 1990, and Title 24 of the California Code of Regulations.

Section 4.6 Equal Opportunity.

During the performance of the Demolition Work and Construction there shall be no discrimination on the basis of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin, ancestry, or disability in the hiring, firing, promoting, or demoting of any person engaged in the construction work.

Section 4.7 Progress Reports; Project Budget.

Until such time as the Developer has received certificates of occupancy, or a comparable document issued by the City, for the Development, the Developer shall provide the City with quarterly progress reports regarding the status of the Demolition Work and Construction, including a certification that the actual development costs to date conform to the Project Budget. The Developer shall submit any required amendments to the Project Budget to the City for approval within fifteen (15) days of the date the Developer receives information indicating that actual costs of the Development vary or will vary from the costs shown on the latest approved Project Budget. Written consent of the City shall be required to amend the Project Budget.

Section 4.8 Construction Responsibilities.

(a) It shall be the responsibility of the Developer to coordinate and schedule the work to be performed so that Commencement of Demolition Work and Construction and Completion of Demolition Work and Construction will take place in accordance with this Agreement.

(b) The Developer shall be solely responsible for all aspects of the Developer's conduct in connection with the Development, including (but not limited to) the quality and suitability of the Demolition Work and Construction, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors,

subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the City with reference to the Development is solely for the purpose of determining whether the Developer is properly discharging its obligations to the City, and should not be relied upon by the Developer or by any third parties as a warranty or representation by the City as to the quality of the design or construction of the Development and does not relieve the Developer, or its consultants, from any applicable requirement to obtain City approval and/or inspections.

Section 4.9 Mechanics Liens, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property or the Improvements or a stop notice affecting the Loan is served on the City or any other lender or other third party in connection with the Demolition Work and Construction, then the Developer shall, within fifteen (15) days after such filing or service give notice to the City of the claim of lien, and within thirty (30) days either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the City a surety bond from a surety acceptable to the City in sufficient form and amount, or provide the City with other assurance satisfactory to the City that the claim of lien or stop notice will be paid or discharged.

(b) If the Developer fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, then in addition to any other right or remedy, the City may (but shall be under no obligation to) discharge such lien, encumbrance, charge, or claim at the Developer's expense. Alternately, the City may require the Developer to immediately deposit with the City the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against the Developer.

(c) The Developer shall file a valid notice of cessation or notice of completion upon cessation of construction of the Development for a continuous period of thirty (30) days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property and/or Improvements. The Developer authorizes the City, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Development.

Section 4.10 Inspections.

The Developer shall permit and facilitate, and shall require its contractors to permit and facilitate, observation and inspection at the Development by the City and by public authorities during reasonable business hours for the purposes of determining compliance with this Agreement. Such inspections do not relieve the Developer, or its contractors, from any applicable requirement to obtain City inspections in connection with the construction of the Development.

Section 4.11 Approved Development Budget; Revisions to Budget.

As of the date of this Agreement, the City has approved the Approved Development Budget as set forth in Exhibit B. Developer shall submit any required amendments to the

Approved Development Budget to the City for approval within fifteen (15) days of the date Developer receives information indicating that actual costs of the Development vary or will vary from the costs shown on the Approved Development Budget. Written consent of the City shall be required to amend the Approved Development Budget. City shall utilize best efforts to approve or disapprove requested amendments to the Development Budget within five (5) working days of receipt of a request for approval.

Section 4.12 Developer Fee.

In no event shall developer fees paid to any entity for development services rendered, including administrative fees and costs in connection with the Development and deferred developer fees exceed One Million Four Hundred Eight Thousand Dollars ($1,408,000), of which not less than Two Hundred Thousand Dollars ($200,000) shall be deferred, as further shown in the Final Financing Plan. The Developer may draw down available funds to pay the Developer Fee in the following manner:

(a) Up to Three Hundred Sixty Thousand Dollars ($360,000) of the Developer Fee may be paid from available proceeds of the Demolition and Construction Component at Close of Escrow.

(b) Up to Three Hundred Sixty Thousand Dollars ($360,000) of the Developer Fee may be paid from available proceeds of the Demolition and Construction Component at 50% Completion.

(c) Three Hundred Sixty Thousand Dollars ($360,000) of the Developer Fee may be paid from proceeds of the Completion Component.

(d) One Hundred Twenty Eight Thousand Dollars ($128,000) of the Developer Fee may be paid from proceeds of the Conversion Component.

(e) Two Hundred Thousand Dollars ($200,000) of the Developer Fee shall be deferred and paid as an Annual Operating Expense of the Development pursuant to Section 2.13(f)(1), unless paid from Demolition Work and Construction Cost Savings pursuant to Section 2.11(a)(1).

Section 4.13 10% Retention Disbursement

The City shall retain the amount of ten percent (10%) from each component of the Loan in Sections 2.6 through 2.11 (the "Retention"). The Retention shall be used by the City to fund any costs incurred by the City in the event of any Default, including, but not limited to payment of any amounts necessary to clear any mechanics liens. Disbursement of the Retention, less any costs used by the City, shall be following the recordation of a Release of Construction Covenants by the City demonstrating the completion of the development by the Developer under the terms of this Agreement and the Disposition and Affordable Housing Development Agreement dated January 23, 2012 between City and Developer.

ARTICLE 5
ONGOING OBLIGATIONS

Section 5.1 Financial Accountings and Post-Completion Audits.

Within the time specified in the Schedule of Performance, the Developer shall provide to City a financial accounting of all sources and uses of funds for the Demolition Work and Construction. No later than one hundred fifty (150) calendar days following completion of Demolition Work and Construction, the Developer shall submit an audited financial report showing the sources and uses of all funds utilized for the Development, as well as a copy of form 8609 that the Developer is required to submit to TCAC.

Section 5.2 Municipal Services Fee.

[Reserved].

Section 5.3 Information.

The Developer shall provide all information reasonably requested by the City in connection with the Demolition Work and Construction and the operation of the Development.

Section 5.4 Records.

(a) The Developer shall maintain complete, accurate, and current records pertaining to the Demolition Work and Construction and the operation of the Development for a period of five (5) years after the creation of such records and shall permit any duly authorized representative of the City to inspect and copy such records. Such records shall include all invoices, receipts, and other documents related to expenditures from the Loan funds. Records must be kept accurate and current.

(b) The City shall notify the Developer of any records it deems insufficient. The Developer shall have fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the City in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then the Developer shall begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 5.5 Audits.

The Developer shall make available for examination, at reasonable intervals and during normal business hours, and upon twenty-four (24) hours notice, to City all books, accounts, reports, files, and other papers or property with respect to all matters covered by this Agreement, and shall permit City to audit, examine, and make excerpts or transcripts from such records. City may make audits of any conditions relating to this Agreement.

Section 5.6 Hazardous Materials.

(a) Upon acquisition of the Development, the Developer shall keep and maintain the Development in compliance with, and shall not cause or permit the Development to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Development including, but not limited to, soil and ground water conditions. The Developer shall not use, generate, manufacture, store or dispose of on, under, or about the Development or transport to or from the Development any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be used in construction of the Development or customarily kept and used in and about residential property of this type.

(b) The Developer shall immediately advise the City in writing if at any time it receives written notice of: (1) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Developer or the Development pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (2) all claims made or threatened by any third party against the Developer or the Development relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (1) and (2) above are hereinafter referred to as "Hazardous Materials Claims"); and (3) the Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Development that could cause the Development or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Development under any Hazardous Materials Law.

(c) The City shall have the right to join and participate in, as a Party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by the Developer. The Developer shall indemnify and hold harmless the City and their council members, board members, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Development (including asbestos) including without limitation: (1) all foreseeable consequential damages; (2) the costs of any required or necessary repair, cleanup or detoxification of the Development and the preparation and implementation of any closure, remedial or other required plans; and (3) all reasonable costs and expenses incurred by the City in connection with clauses (1) and (2), including but not limited to reasonable attorneys' fees. This obligation to indemnify shall survive termination of this Agreement.

(d) Without the City's prior written consent, which shall not be unreasonably withheld, the Developer shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Development, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the City's reasonable judgment, impair the value of the City's security hereunder; provided, however, that the City's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Development either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the City's consent before taking such action, provided that in such event the Developer shall notify the City as soon as practicable of any action so taken. The City agrees not to withhold its consent, where such consent is required hereunder, if either: (1) a particular remedial action is ordered by a court of competent jurisdiction, (2) the Developer will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (3) the Developer establishes to the reasonable satisfaction of the City that there is no reasonable alternative to such remedial action which would result in less impairment of the City's security hereunder; or (4) the action has been agreed to by the City.

(e) The Developer hereby acknowledges and agrees that: (1) this Section is intended as the City's written request for information (and the Developer's response) concerning the environmental condition of the Development as required by California Code of Civil Procedure Section 726.5, and (2) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Development is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(f) In the event that any portion of the Development is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the City's or the trustee's rights and remedies under the Deed of Trust, the City may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Development, and (2) exercise (i) the rights and remedies of an unsecured creditor, including reduction of its claim against the Developer to judgment, and (ii) any other rights and remedies permitted by law. For purposes of determining the City right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Developer shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Development and the Developer knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the City in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Development is environmentally impaired, plus interest thereon at the rate specified in the Note

until paid, shall be added to the indebtedness secured by the Deed of Trust and shall be due and payable to the City upon its demand made at any time following the conclusion of such action.

(g) The Developer has disclosed to the City that asbestos exists on the Property. Pursuant to the terms of Section 5.6(c) above, the Developer hereby indemnifies the City for any and all liability resulting from or related to the presence of asbestos on the Property.

Section 5.7 Maintenance and Damage.

(a) During the course of both construction and operation of the Development, the Developer shall maintain the Development in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if the Developer has not cured such condition within thirty (30) days after receiving a notice from the City of such a condition, then in addition to any other rights available to the City, the City shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property.

(b) Subject to the requirements of senior lenders, and if economically feasible in the City's reasonable judgment after consultation with the Developer, if any improvement now or in the future on the Property is damaged or destroyed, then the Developer shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the City with such changes as have been approved by the City. Such work or repair shall be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the City in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and shall be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, then the Developer shall make up the deficiency. If the Developer does not make repairs, then any insurance proceeds collected for such damage or destruction shall be distributed as if such proceeds were Residual Receipts (as defined in Section 2.13), subject to the rights of the senior lenders.

Section 5.8 Fees and Taxes.

(a) The Developer shall be solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Development to the extent owed by the Developer, and shall pay such charges prior to delinquency. However, the Developer shall not be required to pay and discharge any such charge so long as: (1) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (2) if requested by the City, the Developer deposits with the City any funds or other forms of assurance that the City in good faith from time to time determines appropriate to protect the City from the consequences of the contest being unsuccessful.

(b) The City acknowledges that the Developer intends to apply to the State Board of Equalization for a welfare exemption from property taxes under California Revenue and Taxation Code Section 214 for the Development. Nothing in this Agreement shall prohibit the Developer from applying for and obtaining a welfare exemption for the Development.

Section 5.9 Notice of Litigation.

The Developer shall promptly notify the City in writing of any litigation related to the Development, and any litigation related to the Developer for which the amount claimed or at issue is in excess of Fifty Thousand Dollars ($50,000), and of any claims or disputes related to the Development that involve a material risk of litigation.

Section 5.10 Operation of Development as Affordable Housing.

(a) Promptly following the completion of the Demolition Work and Construction, the Developer shall continuously operate and maintain the Development as multifamily housing rented to low and moderate-income tenants in conformity with this Agreement and the City Regulatory Agreement recorded against the Property.

(b) The maximum household income of a household occupying a Unit, and the total charges for rent, utilities, and related services to each household occupying a Unit, shall be maintained as provided in the City Regulatory Agreement.

Section 5.11 Non-Discrimination.

In satisfaction of Health and Safety Code Sections 33435 and 33436, the Developer shall prohibit, during the construction and operation of the Development, all discrimination on the basis of race, color, creed, religion, sex, sexual orientation, marital status, source of income, national origin or ancestry in the hiring, firing, promoting or demoting of any person engaged in the construction work, nor shall the Developer or any person claiming under or through the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Development.

Section 5.12 Mandatory Language in All Subsequent Deeds, Leases and Contracts.

All deeds, leases or contracts made or entered into by the Developer, its successors or assigns, as to any portion of the Development shall contain therein the following language:

(a) In Deeds:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(b) In Leases:

"(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(c) In Contracts:

"(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code

and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

Section 5.13 Insurance Requirements.

The Developer shall maintain the following insurance coverage throughout the Term:

(a) Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than Two Million Dollars ($2,000,000) each accident.

(b) Commercial General Liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence, Five Million Dollars ($2,000,000) combined, for Bodily Injury and Property Damage, including coverage for Contractual Liability, Personal Injury, Broad Form Property Damage, and Products and Completed Operations.

(c) Comprehensive Automobile Liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverage for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Developer does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required.

(d) Upon acquisition of the Property, property insurance, including during the course of construction builder's risk insurance, covering the Development, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the City, naming the City as a Loss Payee, as its interests may appear. Flood insurance shall be obtained if required by applicable federal regulations.

(e) The Developer shall cause any general contractor, demolition contractor, or agent working on the Development under direct contract with the Developer to maintain insurance of the types and in at least the minimum amounts described in subsections (a) through (d) above, and shall require that such insurance shall meet all of the general requirements of subsections (f), (g) and (h) below. Subcontractors working on the Development under indirect contract with the Developer shall be required to maintain the insurance described in subsections (a), (b) and (c) above, except that the limit for the insurance described in subsection (b) may be One Million Dollars ($1,000,000). Liability and Comprehensive Automobile Liability insurance to be maintained by such contractors and agents pursuant to this subsection shall name as additional insureds the City, its board members, officers, agents, and employees, as well as the City.

(f) The required insurance shall be provided under an occurrence form, and the Developer shall maintain such coverage continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(g) Comprehensive General Liability, Comprehensive Automobile Liability and Property insurance policies (including builders' risk) shall be endorsed to name as an additional insured the City, the City, and their officers, council members, board members, agents, and employees.

(h) All policies and bonds shall contain (i) the agreement of the insurer to give the City at least thirty (30) days notice prior to cancellation (including, without limitation, for nonpayment of premium) or any material change in said policies; (ii) an agreement that such policies are primary and non contributing with any insurance that may be carried by the City; (iii) a provision that no act or omission of the Developer shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the City and its authorized parties in connection with any loss or damage thereby insured against.

(i) If in connection with the use of the Loan funds, death, serious personal injury, or substantial property damage occurs, the Developer shall immediately notify the City. The Developer shall promptly submit to the City a written report, in such form as may be required by the City, of all accidents which occur in connection with this Agreement. This report shall include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of the Developer's contractor or subcontractor, if any; (3) name and address of the Developer's liability insurance carrier; and (4) a detailed description of the accident and whether any of the City's equipment, tools or material were involved.

(j) Upon the City's request at any time during the term of this Agreement, the Developer shall provide certificates of insurance, in form and with insurers reasonable acceptable to the City, evidencing compliance with the requirements of this Section, and shall provide complete copies of such insurance policies, including a separate endorsement naming the City as additional insured.

Section 5.14 Definition of Transfer.

For purposes of this Agreement, "Transfer" shall mean any sale, assignment, or transfer, whether voluntary or involuntary, of: (a) any rights and/or duties under this Agreement, and/or (b) any interest in the Development, and/or (c) any interest in the Development, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of the Development is transferred and the Developer retains title.

Section 5.15 Purpose of Restriction on Transfer.

This Agreement is entered into solely for the purpose of the Developer's construction and operation of the Development in accordance with the terms of this Agreement and the Regulatory Agreement. The qualifications and identity of the Developer are of particular concern to the City, in view of:

(a) The importance of the construction of the Development to the general welfare of the community;

(b) The public aids that have been made available by law and by the government for the purpose of making such development possible;

(c) The reliance by the City upon the unique qualifications and ability of the Developer to serve as the catalyst for construction of the Development and upon the continuing interest which the Developer will have in the Development to assure the quality of the use, operation, and maintenance deemed critical by the City in the construction of the Development;

(d) The fact that a change in ownership or control of the owner of the Development, or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties in control of the Developer or the degree thereof, is for practical purposes a transfer or disposition of the Development; and

(e) The importance to the City of the standards of use, operation, and maintenance of the Development.

It is because of the qualifications and identity of the Developer that the City is entering into this Agreement and that Transfers are permitted only as provided in this Agreement.

Section 5.16 Prohibited Transfers.

The limitations on Transfers set forth in this Article Five shall apply throughout the Agreement Term. Except as expressly permitted in this Agreement, the Developer represents that it has not made or created, and agrees that it will not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law, without the prior written approval of the City, which consent the City may withhold at its sole discretion.

Any Transfer made in contravention of this Section 5.16 shall at the City's discretion be void and shall be deemed to be a default under this Agreement, whether or not the Developer knew of or participated in such Transfer. The loan shall automatically accelerate and be due in full upon any unauthorized Transfer.

Section 5.17 Permitted Transfers Without Prior City Approval.

The term "Transfer" shall exclude the leasing of any single Unit in the Development to an occupant in compliance with the City Regulatory Agreement.

Section 5.18 Permitted Transfers With Prior City Approval.

(a) Except as permitted under Section 5.17, any Transfer shall be permitted only after:

(1) the City has delivered to the Developer its prior written approval of such Transfer, which approval may not be unreasonably withheld, and

(2) the transferee has assumed the Developer's obligations under this Agreement by signing this Agreement or such other reasonable documentation as the City may require.

(b) Following completion of construction of the Development, the City shall not unreasonably withhold its consent to a proposed Transfer, provided that the City reasonably determines that the proposed transferee is qualified to operate the Development in compliance with the City Regulatory Agreement including meeting the following requirements:

(1) the proposed transferee has at least five (5) years experience operating multifamily rental housing developments comparable to the Development;

(2) the proposed transferee has no record of loan defaults, maintenance problems, housing or building code violations, or substantiated fair housing complaints at properties it has owned or operated; and

(3) the proposed transferee has satisfactory credit.

(c) The City hereby approves the sale of the limited partnership interests in the Developer, provided that: (1) the amended partnership agreement of Developer provides for capital contributions of the general and limited partners in the minimum amount as is necessary for project feasibility; and (2) all documents associated with the low-income housing tax credit syndication of the Development are submitted to the City for approval prior to execution, which approval shall not be unreasonably withheld. In the event that either general partner of the Developer is removed by the limited partner of the Developer for cause following default under the Developer's partnership agreement, the City hereby approves the transfer of the general partner interest to a 501(c)(3) tax-exempt nonprofit public benefit corporation that is selected by the limited partner and approved in advance and in writing by the City, which approval shall not be unreasonably withheld.

(d) The City also hereby approves future Transfers of the limited partner interest provided that: (1) such Transfers do not affect the timing and amount of the limited partner capital contributions provided for in the amended partnership agreement approved by the City; and (2) in such Transfers, a wholly owned affiliate of the initial limited partner retains a membership or partnership interest and serves as a managing member or managing general partner of the successor limited partner.

(e) The City also hereby approves Transfer of the Development from the Developer to or a nonprofit affiliate of , and an assumption of the Loan by such transferee, provided that:(1) the transferee expressly assumes the obligations of the Developer under the Loan Documents, utilizing a form of assignment and assumption agreement to be provided by the City, and (2) all funds maintained in the reserves of the Development are transferred to the transferee with the Development and continue to be reserved solely to pay operating costs or replacement costs of the Development.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

Section 6.1 Representations and Warranties.

and the Developer hereby, respectively represent and warrant to the City as follows; provided, however; shall make each such representation and warranty only as to itself or as to which has actual knowledge:

(a) Organization.

(1) is a duly organized, validly existing nonprofit corporation and is in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(2) The Developer is a duly organized, validly existing limited partnership and is in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority. The Developer has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of and the Developer, respectively, and all actions required under 's and the Developer's, respectively, organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. This Agreement and the Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of and the Developer, respectively, enforceable against and the Developer, respectively, in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on and the Developer, respectively, or any provision of the organizational documents of and the Developer, respectively, or will conflict with or constitute a breach of or a default under any agreement to which and the Developer,

respectively, are a Party, or will result in the creation or imposition of any lien upon any assets or property of and the Developer, respectively, other than liens established pursuant hereto.

(f) Compliance With Laws; Consents and Approvals. The Developer represents and warrants that the construction of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Neither the Developer nor any of Developer's general partners, respectively, are in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of the Developer, and the Developer's general partners respectively, threatened against or affecting the Developer, respectively, or the Property, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to the Developer or its general partners, respectively, materially affect the Developer's or its general partners, respective ability to repay the Loan or impair the security to be given to the City pursuant hereto.

(h) Title to Land. At the time of recordation of the Deed of Trust, the Developer will have good and marketable fee title to the Property and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than liens for current real property taxes and assessments not yet due and payable, the Construction Loan Deed of Trust, liens in favor of the City or approved in writing by the City.

(i) Financial Statements. The financial statements of the Developer and other financial data and information furnished by the Developer to the City fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of the Developer from that shown by such financial statements and other data and information.

(j) Sufficient Funds. The Developer holds sufficient funds and/or binding commitments for sufficient funds to complete the acquisition of the Development.

(k) Taxes. and the Developer, respectively and their respective subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against or the Developer, respectively or any of their respective subsidiaries that could, if made, be reasonably expected to have a material adverse effect upon the Property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the and the Developer respectively, and their respective subsidiaries, taken as a whole, which would be expected to result in a material impairment of the ability of the Developer to perform under any Loan Document to which it is a Party, or a material adverse

effect upon the legality, validity, binding effect or enforceability against the Developer of any Loan Document.

ARTICLE 7
TERMINATION, DEFAULT AND REMEDIES

Section 7.1 No Fault Termination.

The following events constitute a basis for a Party, otherwise allowed by this Agreement, to terminate this Agreement without the fault of the other:

(a) The Developer, despite good faith efforts, is unable to obtain Applicable Governmental Approvals (Section 3.6) or building permits (Section 3.14), necessary to allow for construction of the Development; or

(b) The Developer, despite good faith efforts, is unable to obtain an allocation of tax-exempt bonds for the Development in accordance with Section 3.7 above; or

(c) The Developer, despite good faith efforts, is unable to obtain a TCAC allocation of tax credits for the Development or a tax credit investor commitment, in accordance with Section 3.8 above; or

(d) The Developer, despite good faith efforts on the part of both the City and the Developer, is unable to obtain the City approval of the Developer's submitted Final Financing Plan (Section 3.11); Scope of Development (Section 3.3); Applicable Governmental Approvals (Section 3.6); an City approved lender to purchase the tax-exempt bonds (Section 3.7(b)); equity investor and/or equity funding commitment (Section 3.8); Financing Plan (Section 3.11); Management and Marketing Plan (Section 3.12); Construction Contract (Section 3.13); Construction Bonds (Section 3.16); or evidence of financing prior to start of construction (Section 3.18); or

(e) The Developer, despite good faith efforts, is unable to satisfy any other requirement set forth in Article 3 within the time set forth in the Schedule of Performance.

Upon happening of any of the above-described events, the City and the Developer shall meet and confer in good faith for a period not to exceed thirty (30) days to determine if a feasible and mutually acceptable alternate arrangement can be made to continue with the Development. If no agreement is reached by the parties within such thirty (30) day period, at the election of either Party, this Agreement may be terminated by five (5) days written notice to the other Party (the "Termination Notice"). Upon the effective date of the Termination Notice neither Party

shall have any rights against or liability to the other except for the provisions that state they survive termination of this Agreement.

Section 7.2 Events of Default.

Each of the following shall constitute a "Default" by the Developer under this Agreement:

(a) Failure to Satisfy Predevelopment Conditions. Failure of the Developer to diligently and in good faith cause satisfaction of any of the conditions set forth in Article 3.

(b) Failure to Make Payment. Failure of the Developer to repay the principal and any interest on the Loan that is due and payable to the City pursuant to the Loan Documents following written notice by the City of such failure and fifteen (15) days opportunity to cure.

(c) Failure to Commence Demolition Work and Construction. Failure of the Developer to commence and prosecute to completion, the Demolition Work and Construction within the time frames set forth in the Schedule of Performance.

(d) Failure to Comply with the Resident Services Plan. Failure to comply with the Resident Services Plan approved by the City, including failure to meet stated objective and outcomes under the Plan.

(e) Failure to Comply with the Management and Marketing Plan. Failure to comply with the Management and Marketing Plan approved by the City.

(f) Breach of Covenants. Failure of the Developer to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the City to the Developer; provided, however, that if a different period or notice requirement is specified under any other section of this Article 7, the specific provisions shall control.

(g) Default Under Other Loans. A default is declared under any Approved Financing by the lender of such Approved Financing (subject to applicable notice and cure).

(h) Insolvency. A court having jurisdiction shall have made or entered any decree or order: (1) adjudging the Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Developer or seeking any arrangement for the Developer under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Developer in bankruptcy or insolvency or for any of their properties, (4) directing the winding up or liquidation of the Developer, if any such decree or order described in clauses (1) to (4), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days; or (5) the Developer shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive. The occurrence of any of the events of Default in this

paragraph shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Note.

(i) Assignment; Attachment. The Developer shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Note.

(j) Suspension; Dissolution. The Developer shall have voluntarily suspended its business or the dissolution of the Developer.

(k) Liens on Property and the Development. There shall be filed any claim of lien (other than liens approved in writing by the City) against the Development, the Property, or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of thirty (30) days without discharge or satisfaction thereof or provision therefore (including, without limitation, the posting of bonds) satisfactory to the City.

(l) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Development, except that condemnation by the City or the City shall cause the Loan to accelerate but shall not be a Default.

(m) Unauthorized Transfer. Any Transfer other than as permitted by Section 5.17.

(n) Representation or Warranty Incorrect. Any representation or warranty of and the Developer, respectively, contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the City in connection with any of the Loan Documents, proves to have been incorrect in any material and adverse respect when made.

(o) Applicability to General Partner. The occurrence of any of the events set forth in subsection (f), subsection (g), or subsection (h) in relation to the managing general partner or administrative general partner of the Developer which is not resolved by the Developer removing or replacing the general partner pursuant to Section 5.18(c) above, within sixty (60) days of the occurrence of any of the events set forth in subsection (f), subsection (g), or subsection (h).

Section 7.3 Remedies.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the City or automatically where so specified, relieve the City of any obligation to make or continue the Loan and shall give the City the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(a) Acceleration of Note. Subject to the provisions of Sections 2.13, the City shall have the right to cause all indebtedness of the Developer to the City under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. Developer waives all right to presentment, demand, protest or notice of protest or dishonor. The City may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the City as a creditor and secured Party under the law including the Uniform Commercial Code, including foreclosure under the Deed of Trust. The Developer shall be liable to pay the City on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the City in connection with the collection of the Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) Assignment Agreement. The City may exercise all rights under the Assignment Agreement. The Developer shall promptly deliver to the City copies of all plans and specifications for the Development, all permits and approvals obtained in connection with the Development, and all applications for permits and approvals not yet obtained but needed in connection with the Development.

(c) Specific Performance. The City shall have the right to mandamus or other suit, action or proceeding at law or in equity to require the Developer to perform its obligations and covenants under the Loan Documents or to enjoin acts or things which may be unlawful or in violation of the provisions of the Loan Documents.

(d) Right to Cure at the Developer's Expense. The City shall have the right (but not the obligation) to cure any monetary default by the Developer under a loan other than the Loan. The Developer agrees to reimburse the City for any funds advanced by the City to cure a monetary default by the Developer upon demand therefore, together with interest thereon at the lesser of the maximum rate permitted by law or ten percent (10%) per annum from the date of expenditure until the date of reimbursement.

(e) Reserved.

(f) Reserved.

Section 7.4 Reserved.

Section 7.5 Right of Contest.

The Developer shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the City or the rights of the City hereunder.

Section 7.6 Remedies Cumulative.

No right, power, or remedy given to the City by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every

such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the City by the terms of any such instrument, or by any statute or otherwise against the Developer and any other person. Neither the failure nor any delay on the part of the City to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the City of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Section 7.7 Remedies by Other Entities/Individuals Pursuant to California Law.

Pursuant to Health and Safety Code Section 33334.3(f)(7) a default under the City Regulatory Agreement, including the rental of a Unit to a household not eligible under the Regulatory Agreement, may be enforceable by the City, a residents' association, a resident of another affordable unit, a former resident of a Unit, a person on an affordable housing waiting list, and others who are listed in State law.

Section 7.8 Survival.

Upon termination of this Agreement under this Article 7, those provisions of this Agreement that recite that they survive termination of this Agreement shall remain in effect and be binding upon the parties notwithstanding such termination.

ARTICLE 8
GENERAL PROVISIONS

Section 8.1 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the City, the Developer or the Developer's agents, employees or contractors, and the Developer shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. The Developer has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the construction of the Development, the Developer shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. The Developer agrees to be solely responsible for its own acts and those of its agents and employees.

Section 8.2 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the City, by any person the Developer or its general partners may have employed or with whom the Developer may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the construction of the

Development, and the Developer shall include similar requirements in any contracts entered into for the construction of the Development.

Section 8.3 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties and approved by the City Board.

Section 8.4 Entire Understanding of the Parties.

This Agreement and the Loan Documents constitute the entire understanding and agreement of the Parties with respect to the Loan.

Section 8.5 Indemnification.

Except as directly caused by the City's gross negligence or willful misconduct, the Developer agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the City) the City, the City and their respective board members, council members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of: (1) the Developer's performance or non-performance of its obligations under this Agreement; (2) the Developer's ownership of the Property; (3) the development, marketing, rental and operation of the Development, or (4), or any documents executed by the Developer in connection with the Development. The provisions of this Section 8.5 shall survive termination of this Agreement.

Section 8.6 Non-Liability of City and City Officials, Employees and Agents.

No member, official, employee or agent of the City or the City shall be personally liable to the Developer, or any successor in interest, in the event of any Default or breach by the City, or for any amount which may become due to the Developer or its successor or on any obligation under the terms of this Agreement.

Section 8.7 No Third Party Beneficiaries.

Except as provided in Health and Safety Code Section 33334.3(f)(7), there shall be no third party beneficiaries to this Agreement.

Section 8.8 Action by the City.

(a) Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent, request, extension of time, waiver of condition, termination, or other action by the City is required or permitted under this Agreement, such action may be given, made, or taken by the Executive Director without further approval by the City Board, and any such action shall be in writing. The amount of the Loan may not be increased without approval of the City Board.

(b) Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion

standard applies. The Executive Director is also hereby authorized to approve, on behalf of the City, requests by the Developer for reasonable extensions of time deadlines set forth in this Agreement. The City shall not unreasonably delay in reviewing and approving or disapproving any proposal by the Developer made in connection with this Agreement.

Section 8.9 Waivers.

Any waiver by the City of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of the Developer or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to the Developer to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the City to any act or omission by the Developer shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 8.10 Notices, Demands and Communications.

Formal notices, demands, and communications between the City and the Developer shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the City and the Developer as follows:

To the City:	CITY OF INGLEWOOD c/o City Manager's Office Attn: Mr. Artie Fields, City Manager One Manchester Boulevard, Ninth Floor Inglewood, California 90301
With a copy to:	Office of the City Attorney One Manchester Boulevard, Eighth Floor Inglewood, California 90301 Attn: Cal P. Saunders, Esq.
With a copy to:	Kane, Ballmer & Berkman 515 South Figueroa Street, Suite 1850 Los Angeles, California 90071 Attn: Royce Jones, Esq. Gustavo Lamanna, Esq. Facsimile No.: (213) 625-0931
To the Developer:	Grevillea Housing, LP c/o Abode Communities 701 East Third Street, Suite 400 Los Angeles, California 90013 Attn: Ms. Robin Hughes, Chief Executive Officer Facsimile No.: (213) 225-2709

With a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, California 90071
Attn: Lance Bocarsly, Esq. & Nicole Deddens, Esq.
Facsimile No.: (213) 239-0410

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt for delivery or refusal of delivery. Copies of notices sent to the Developer shall also be sent to any limited partner of the Developer who requests such notices in writing and provides its address to the City.

Section 8.11 Applicable Law and Venue.

This Agreement shall be governed by California law. Any action brought claiming a breach of this Agreement or interpreting this Agreement shall be brought and venued in Los Angeles County, California.

Section 8.12 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors and assigns. This Agreement is intended to run with the land and shall bind the Developer and its successors and assigns in the Property and the Improvements for the entire Term, and the benefit hereof shall inure to the benefit of the City and its successors and assigns.

Section 8.13 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 8.14 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 8.15 Force Majeure.

In addition to specific provisions of this Agreement, performance by any Party shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs or other labor disturbances, one or more acts of a public enemy, war, riot, sabotage, blockade, embargo, floods, earthquakes, fires, quarantine restrictions, freight embargoes, lack of

transportation, court order, delays or failures of performance by any governmental authority or utility company (other than the acts or failure to act of the City and so long as the Party seeking the extension has adequately complied with the applicable processing requirements of such governmental authority or utility company), delays resulting from changes in any applicable laws, rules, regulations, ordinances or codes, or a change in the interpretation thereof by any governing body with jurisdiction, or any other cause (other than lack of funds of the Developer or the Developer's inability to finance the construction of the Development) beyond the reasonable control or without the fault of the Party claiming an extension of time to perform or an inability of performance. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and the Party granting the extension agrees to the extension in writing. In no event shall the City be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 8.16 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 8.16(b) below, who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Developer shall exercise due diligence to ensure that the prohibition in this Section 8.16(a) is followed.

(b) The conflict of interest provisions of Section 8.16(a) above, apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

Section 8.17 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 8.18 Multiple Originals; Counterpart.

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

Section 8.19 Operating Memoranda.

(a) The Parties acknowledge that the provisions of this Agreement require a close degree of cooperation, and that new information and future events may demonstrate that changes are appropriate with respect to the details of performance of the parties under this Agreement. The parties desire, therefore, to retain a certain degree of flexibility with respect to the details of

performance of those items covered in general terms under this Agreement. If and when, from time to time during the term of this Agreement, the parties find that refinements or adjustments regarding details of performance are necessary or appropriate, they may effectuate such refinements or adjustments through a memorandum (individually, an "Operating Memorandum", and collectively, "Operating Memoranda") approved by the parties which, after execution, shall be attached to this Agreement as addenda and become a part hereof. This Agreement describes some, but not all, of the circumstances in which the preparation and execution of Operating Memoranda may be appropriate.

(b) Operating Memoranda may be executed on the City's behalf by its Executive Director, or the Executive Director's designee. Operating Memoranda shall not require prior notice or hearing, and shall not constitute an amendment to this Agreement. Any substantive or significant modifications to the terms and conditions of performance under this Agreement shall be processed as an amendment of this Agreement in accordance with Section 8.3, and must be approved by the City Board.

Section 8.20 Construction and Interpretation of Agreement

(a) The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has been given the opportunity to independently review this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized.

(b) If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any Party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

(c) References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

(d). As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

(e) Except as otherwise provided in this Agreement, the term "Day" shall mean a calendar day.

Section 8.21 Time of Essence.

Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement

Section 8.22 Compliance with Law.

Developer agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Property and the Development, as well as operations conducted thereon.

Section 8.23 Police Power.

Nothing contained herein shall be deemed to limit, restrict, amend or modify, nor to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of the City, its departments, commissions, agencies and boards and the officers thereof and/or the City, including, without limitation, any redevelopment plan or general plan or any zoning ordinances, or any of City's duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of City in the furtherance of the public health, welfare and safety of the inhabitants thereof, including, without limitation, the right under law to make and implement independent judgments, decisions and/or acts with respect to planning, development and/or redevelopment matters (including, without limitation, approval or disapproval of plans and/or issuance or withholding of building permits) whether or not consistent with the provisions of this Agreement, any Exhibits attached hereto or any other documents contemplated hereby (collectively, "City Rules and Powers"). In the event of any conflict, inconsistency or contradiction between any terms, conditions or provisions of this Agreement, Exhibits or such other documents, on the one hand, and any such City Rules and Powers, on the other hand, the latter shall prevail and govern in each case. This Section shall be interpreted for the benefit of City.

Section 8.24 Brokers.

City and Developer each represents that it has not engaged any broker, agent or finder in connection with this transaction. Developer agrees to defend, indemnify and hold City and all City representatives harmless from and against any losses and liabilities with respect to such commissions based upon the alleged acts of Developer. City agrees to defend, indemnify and hold Developer harmless from and against losses and liabilities with respect to such commissions based upon the alleged acts of City.

Section 8.25 Incorporation by Reference.

Each of the attachments and exhibits appended to this Agreement is hereby incorporated in this Agreement by this reference as though fully set forth herein.

WHEREFORE, this Agreement has been entered into by the undersigned as of the date first above written.

"CITY"

CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

DATED: 1/31/2012

ATTEST:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO FORM AND LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

"DEVELOPER"

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By: _____
Robin Hughes
Chief Executive Officer

DATED: 1/31/2012

Exhibit A
to LMIHF Loan Agreement

LEGAL DESCRIPTION

Certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Exhibit B
to LMIHF Loan Agreement

PROPOSED BUDGET

TABLE 1

ESTIMATED DEVELOPMENT COSTS
9% TAX CREDIT SCENARIO
7 VERY-LOW INCOME UNITS; 46 LOW INCOME UNITS; & 8 MODERATE INCOME UNITS
GREVILLEA FAMILY APARTMENTS
INGLEWOOD, CALIFORNIA

I.	**Property Assemblage Costs**						
	Property Acquisition Costs	49,614	Sf Land	$56	/Sf Land	$2,800,000	
	Demolition Costs [1]		2% Purchase Price			510,000	
	Closing Costs [1]					43,000	
	Total Property Assemblage Costs						**$3,353,000**
II.	**Direct Costs** [2]						
	Off-Site Improvements [1]					$150,000	
	On-Site Improvements [1]	49,614	Sf Land	$5	/Sf Land	248,000	
	Parking Costs						
	Subterranean Spaces	71	Spaces	$29,200	/Space	2,073,000	
	At-grade Podium Spaces	64	Spaces	$23,760	/Space	1,521,000	
	Residential Shell Costs	87,008	Sf GBA	$129	/Sf GBA	11,188,000	
	Furnishings, Fixtures and Equipment [1]		14% Construction Costs			99,000	
	Contractor Fees / General Requirements		2% Construction Costs			2,104,000	
	Construction Bonds		5% Other Direct Costs			304,000	
	Contingency Allowance					884,000	
	Total Direct Costs	**87,008**	**Sf GBA**	**$213**	**/Sf GBA**		**$18,571,000**
III.	**Indirect Costs**						
	Architecture, Engineering & Consulting		10% Direct Costs			$1,764,000	
	Permits & Fees [3]	62	Units	$12,949	/Unit	803,000	
	Taxes, Legal & Accounting		2.0% Direct Costs			371,000	
	Insurance [1]	62	Units	$2,501	/Unit	155,000	
	Marketing & Leasing [1]	62	Units	$900	/Unit	56,000	
	Developer Fee [4]		6% of Eligible Basis			1,408,000	
	Contingency Allowance		5% Other Indirects			228,000	
	Total Indirect Costs						**$4,785,000**
IV.	**Financing Costs**						
	Interest During Construction [5]	$14,942,000	Loan Amount	4.45%	Interest	$931,000	
	Financing Fees						
	Predevelopment Loan [1]					94,000	
	Construction Loan [1]	$14,942,000	Loan Amount	0.50	Points	75,000	
	Permanent Loan [1]	$2,776,000	Loan Amount	0.50	Points	14,000	
	Operating Reserve	6	Months Operating Exp and Debt Service Payments			251,000	
	TCAC Fees [6]					83,000	
	Total Financing Costs						**$1,448,000**
V.	**Total Development Costs**	**87,008**	**Sf GBA**	**$324**	**/Sf GBA**		**$28,157,000**

[1] Based on Developer's estimate.
[2] Estimates assume prevailing wage requirements will be imposed on the Project
[3] Based on Developer's estimate The estimate should be verified by the City staff
[4] Based on Developer's estimate This estimate is below the maximum amount allowed by TCAC.
[5] Based on an 18-month construction period with a 60% average outstanding balance; and a 6-month absorption period with a 100% average outstanding balance.
[6] Includes $2,000 application fee; $410/unit monitoring fee; and 4% of the gross Tax Credit proceeds for one year

Prepared by: Keyser Marston Associates, Inc
Filename Abode_1_20_12 Pro Forma - 9%, trb

Exhibit C
to LMIHF Loan Agreement

SCHEDULE OF PERFORMANCE

This Schedule of Performance summarizes the schedule for various activities under the LMIHF Loan Agreement to which this exhibit is attached. The description of items in this Schedule of Performance is meant to be descriptive only, and shall not be deemed to modify in any way the provisions of the Agreement to which such items relate. Section references herein to the Agreement are intended merely as an aid in relating this Schedule of Performance to other provisions of the Agreement and shall not be deemed to have any substantive effect. Times for performance are subject to Force Majeure, as further provided in Section 8.15 of the Agreement.

Whenever this Schedule of Performance requires the submission of plans or other documents at a specific time, such plans or other documents, as submitted, shall be complete and adequate for review by the City or other applicable governmental entity within the time set forth herein. Prior to the time set forth for each particular submission, the Developer shall consult with City staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein.

As provided in Section 3.1 of this Agreement, this Schedule of Performance may be modified by Operating Memoranda executed in accordance with Section 8.19 of this Agreement.

	ACTION	DATE
1.	Close of Escrow. The Developer shall close escrow on the Purchase Agreement.	January 31, 2012
2.	Submission of Preliminary Evidence of Applications for Financing. The Developer shall submit evidence of applications for tax credits and conventional financing	January 27, 2012, or as agreed
3.	Submission – Scope of Development. The Developer shall prepare and submit the Scope of Development, including exterior renovation plans for City approval and actual plans for Demolition Work	January 27, 2012, or as agreed
4.	Approval – Scope of Development. The City shall approve or disapprove the Scope of Development. [§3.3]	March 1, 2012, or as agreed

	ACTION		DATE
5.	Approval – Preliminary Evidence of Applications for Financing. The City shall approve or disapprove the Preliminary Evidence of Applications for Financing		March 1, 2012, or as agreed
6.	Submission – Management and Marketing Plan. The Developer shall prepare and submit the Management and Marketing Plan for City approval. [§3.12]		May 1, 2012, or as agreed
7.	Approval – Management and Marketing Plan. The City shall approve or disapprove the Management and Marketing Plan. [§3.12]		Approval prior to disbursement of the Rehabilitation Component of the LMIHF Loan.
8.	Submission – Final Financing Plan. The Developer shall prepare and submit the Final Financing Plan for City approval. [§3.11]		As of the date of this Agreement and as needed prior to the disbursement of the specified components of the LMIHF Loan, including within 30 days after receipt of tax credit allocation from TCAC.
9.	Approval – Final Financing Plan. The City shall approve or disapprove the Final Financing Plan.		Within 15 days after receipt of the Final Financing Plan.
10.	Application – Applicable Governmental Approvals. The Developer shall apply for the Applicable Governmental Approvals, including Development Review Permit and shall provide evidence of the same to the City. [§3.6]		May 1, 2012, or as agreed
11.	Receipt – Applicable Governmental Approvals. The Developer shall obtain the Applicable Governmental Approvals and shall provide evidence of the same to the City. [§3.6]		May 1, 2012, or as agreed.

12.	a. Approval – Demolition Work Plans. The City shall approve or disapprove the Demolition Work Plans. [§3.5] b. Approval – Scope of Development. The City shall approve or disapprove the Scope of Development. [§3.5]		May 1, 2012, or as agreed.
13.	Application – Building Permit. The Developer shall apply for a building permit and shall provide evidence of the same to the City EDD. [§3.14]		By May 1, 2012.
14.	Receipt – Building Permit. The Developer shall obtain the building permit and shall provide evidence of the same to the City EDD. [§3.14]		Not later than 30 days prior to Commencement of Rehabilitation.
15.	Application – Tax-Exempt Bonds. The Developer shall apply to CDLAC for allocation of Tax-Exempt Bonds. [§3.7]		By March 25, 2012.
16.	Application – Tax Credits (First Application). The Developer shall submit an application to TCAC for a preliminary reservation of 4% tax credits. [§3.8]		By April 1, 2012.
17.	Application – Tax-Exempt Bonds (Second Application). The Developer shall submit a second application to CDLAC for an allocation of tax-exempt bonds if the first application is unsuccessful. [§3.7]		Next CDLAC round following unsuccessful application.
18.	Application – Tax Credit (Second Application). The Developer shall submit a second application to TCAC for a preliminary reservation of 4% tax credits if the first application is unsuccessful. [§3.8]		Next TCAC round following unsuccessful application.

19.	Tax Credit Investor Bids Submission. The Developer shall submit to City at least three bids from prospective tax credit equity investors. [§3.9]		Not later than April 15, 2012.

20.	Tax Credit Investor Bids Approval. City shall review and approve or disapprove bids. [§3.9]		Not later than 15 days after submission.
21.	Submission – Construction Contract. The Developer shall submit the Construction Contract for City approval. [§3.13		Not later than 30 days prior to commencement of construction.
22.	Approval – Construction Contract. The City shall approve or disapprove the construction contract. [§3.13		Within 10 days after receipt by the City of the Construction Contract. Opportunity is provided in §3.13 for resubmission and further review of a disapproved Construction Contract
23.	Submission – Insurance. The Developer shall submit evidence of insurance coverage for City approval. [§3.15]		Not later than 10 days prior to Commencement of Construction according to the Approved Scope of Development.
24.	Approval – Evidence of Insurance Coverage. The City shall approve or disapprove the Evidence of Insurance Coverage. [§3.15]		Within 10 days after receipt by the City. Opportunity is provided in §3.15 for resubmissions and further review of disapproved Evidence of Insurance Coverage.
25.	Submission – Construction Bonds. The Developer shall submit the Construction Bonds for City approval. [§3.16]		Not later than 10 days prior to Commencement of Rehabilitation.
26.	Approval – Construction Bonds. The City shall approve or disapprove the Construction Bonds. [§3.16]		Within 15 days after receipt by the City. Opportunity is provided in §3.16 for resubmissions and further review of disapproved Construction Bonds.
27.	Submission – Resident Services Plan & Budget. Developer shall furnish to the City draft Resident Services Plan. [§3.17]		Not later than 60 days prior to the Completion Component Disbursement. [§2.9]

28.	Approval – Resident Services Plan & Budget. City shall review and approve or disapprove the Resident Services Plan. [§3.17]		Not later than 10 days after submission by Developer.

29.	Submission – Evidence of Funds Availability. The Developer shall submit the specified evidence of funds availability. [§3.18]		Not later than 18 days prior to commencement of construction.
30.	Approval – Evidence of Funds. The City shall approve or disapprove the evidence of funds. [§3.18]		Within 10 days after receipt by the City
31.	Commencement of Demolition Work and Construction. The Developer shall commence Demolition and Construction. [§4.3]		Not later than May 1, 2012.
32.	Remediation/Demolition. The Developer shall substantially complete with the Demolition Work according to the Approved Demolition Work.		By September 30, 2012.
33.	Completion of Construction. The Developer shall complete construction of the Development pursuant to the Approved Scope of Development. [§4.4]		May 31, 2013.
34.	Submission – Quarterly Progress Reports. The Developer shall submit Quarterly Progress Reports. [§4.7]		March 1, 2012; June 1, 2012; September 1, 2012, December 1, 2012; March 1, 2013; June 1, 2013; September 1, 2013; and December 1, 2013.
35.	Submission– Financial Accounting. The Developer shall submit a financial accounting of all sources and uses to the City. [§5.1]		No later than 90 calendar days following Completion of Construction.
36.	Submission– Cost Certification. The Developer shall submit the form 8609 to TCAC with a copy to the City. [§5.1]		No later than 150 calendar days following Completion of Construction.

37.	Loan Repayment. Subject to the terms of Section 2.13.		Subject to the terms of Section 2.13.

Exhibit D
to LMIHF Loan Agreement

SCOPE OF DEVELOPMENT

Developer Responsibilities

1. General

The Developer shall construct, or cause to be constructed on the Property, a affordable housing project consisting of: 62 residential affordable rental units. The Property is approximately 49,600 square feet of commercial space and is improved with a vacant two-story building which was formerly occupied by the Southern California Gas Company and subsequently a Charter School. The Project includes the construction of 62 units. The proposed unit mix is as follows:

Number of Units	Unit	Size (Sf)
Two-Bedroom Units	36	950
Three-Bedroom Units	26	1,100

2. Affordable Residential Units

The affordable rental units shall be designated for all units in the Development. The Developer shall enter into an agreement with the City to monitor the long term affordable restrictions for the all units qualifying as affordable units prior to the issuance of building permits for the Project.

The affordable apartment units in the project shall be restricted to residents qualifying under the very low, low and moderate income levels as determined and implemented through the Affordable Housing Agreement between the City and the Developer ("AHA"), and by covenants to be recorded by the City consistent with Section 33413(c) of the California Health and Safety Code, and consistent with the most restrictive income categories of occupant households required by the project's financing. The allocation of affordable units and their rents shall be consistent with the proportions of unit mixes reflected in the chart below. Notwithstanding anything to the contrary in the AHA or this Exhibit to the LMIHF Loan Agreement, the Developer shall not bar a prospective resident from selection for occupancy of an apartment unit based solely on the zip code or neighborhood in which such prospective resident resides. The Developer shall market the availability of apartment units and select residents for occupancy in affordable units in accordance with all applicable local, State and Federal laws and regulations.

Sixty-one (61) apartment units will be subject to the following income and affordability restrictions for CRL purposes, with at least 16 units also restricted as HOME units:

a. Very-Low Income Units	7	(all HOME/HUD Very Low)
b. Low Income Units	46	(eight HOME/HUD Low) (38 State HCD Low)
c. Moderate Income Units	8	(all State HCD Moderate)
Total Units:	61	

3. Residential Amenities and Facilities

The development includes the following residential amenities and facilities to be illustrated on the approved Basic Concept/Schematic Drawings, which shall be required to be maintained by the project in perpetuity:

a. Common Outdoor Open Space – Common outdoor spaces shall include a minimum of ratio of the open space to the indoor space or such square footage to be agreed upon with the City Administrator or designee for use by the residents of the development.

b. Common Indoor Space – Common indoor space a minimum shall include a ratio of the open space to the indoor space or such square footage to be agreed upon with the City Administrator or designee as a minimum common indoor area, such as a community room, shall be provided for the residential tenants of the project. This space should be located adjacent to the outdoor open space. This space shall be maintained for use by residents of the development and may contain active or passive recreational facilities, meeting space, computer terminals, or other activity space and must be accessible through a common corridor.

c. Private Open Space – Contingent on the proposed Basic Concept/Schematic Drawings and approved version by the City, a portion of the residential units shall be provided with a private open space area (balcony, deck, or roof terrace) or such other amenity in lieu thereof, as may be agreed upon with the City Administrator or designee.

d. Pet Open Space – Contingent on the proposed Basic Concept/Schematic Drawings and approved version by the City, a portion of the residential units may, in the discretion of the City, be provided with a minimum area for use by pets and clearly marked for such exclusive use. The pet open space must contain permeable surfaces, a hose bib for washing down the area, and be drained into the public sewer system. The development shall be responsible for daily cleaning and regular maintenance of this area. The area must be available to all residential tenants of the project, although multiple, separate areas may be provided for the rental and for-sale components of the development.

4. Private Parking

The development shall include a minimum of 135 parking spaces which shall be designed to City Standards for size. The following minimum number of spaces shall be permanently available for use by specific uses within the project:

The Project will be served by a total of 135 parking spaces, which equates to a ratio of 2.2 spaces per unit. The parking spaces consist of the following:

a. Seventy-one (71) subterranean parking spaces; and
b. Sixty-four (64) at-grade podium parking spaces.

Any subterranean parking facilities encroaching into the public right-of-way shall be located a an agreed upon minimum set back from the face of curb to such depth approved by the City below sidewalk grade, measured to the outside of any shoring. An Encroachment and Maintenance Agreement shall be obtained from the City to allow any encroachment of the garage into the public right-of-way.

5. Tentative Map/Development Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon any portion of the Property, the Developer shall, at its own expense, secure or cause to be secured, as applicable, any and all permits or approvals, including a Inglewood Planned Development Permit for the Project, which may be required by the City or any other governmental agency affected by such construction, development or work.

6. Development Impact Fees

The project will be subject to City of Inglewood Development Impact Fees. For projects containing commercial space(s), the Developer shall provide to the City's Facilities Financing Department the following information at the time of application for building permit plan check: 1) total square footage for commercial lease spaces and all areas within the building dedicated to support those commercial spaces including, but not limited to: loading areas, service areas and corridors, utility rooms, and commercial parking areas; and 2) applicable floor plans showing those areas outlined for verification. In addition, it shall be responsibility of the Developer to provide all necessary documentation for receiving any "credit" for existing buildings to be removed or buildings on the site that may have previously been removed.

7. Design Development and 100% Construction Drawings

The Developer shall submit for approval to the City Complete Construction Drawings and Specifications, 75% Complete Construction Drawings and Specifications, and 100 % Construction Drawings and Specifications, which implement the design intent of the Basic Concept/Schematic Drawings and any requirements listed below. A final materials/color board shall be submitted for the City Economic Development Department and City Administrator staff approval.

8. Urban Design Standards

The proposed development, including its architectural design concepts, landscape features, and off-site improvements, shall be consistent with the City of Inglewood standards and manuals in effect as of the date of the AHA, subject to any modifications thereto approved by the City. These standards, together with the following specific conditions, will be used as a basis for evaluating the development through all stages of the design review process.

a. Architectural Standards - The architecture of the development shall establish a high quality of design and complement the design and character of the new developments

in the City, downtown and the site's location. The project shall utilize a coordinated color scheme consistent with the approved Basic Concept/Schematic Drawings.

b. Form and Scale - The improvements shall not exceed the height of structures in the City of Inglewood from mean sea level (MSL) measured to the top of the uppermost structure or architectural element. All building elements shall be complementary in form, scale, and architectural style.

c. Building Materials - All building materials shall be of a high quality as shown in the approved Basic Concept/Schematic Drawings and approved materials board. All materials and installation shall exhibit high-quality design, detailing, and construction execution to create a durable and high quality finish. The base of the buildings shall be clad in upgraded materials and carry down to within a minimum agreed upon distance to finish sidewalk grade, as illustrated in the approved Basic Concept/Schematic Drawings. The concrete finish on the podium shall consist of an upgraded architectural finish quality. The finish quality shall be subject to approval by the City, and if not of sufficient quality, the surface must be painted. Any surface materials shall employ larger modules and full-corner profiles to create a substantial and non-veneer appearance. All down-spouts, exhaust caps, and other additive elements shall be superior grade for urban locations, carefully composed to reinforce the architectural design. Reflectivity of the glass shall be the minimum reflectivity required by Title 24.

All construction details shall be highest standard and executed to minimize weathering, eliminate staining, and not cause deterioration of materials on adjacent properties or the public right-of-way. No substitutions of materials or colors shall be permitted without the prior written consent of the City. A final materials board which illustrates the location, color, quality and texture of proposed exterior materials shall be submitted with 100% Construction Drawings and shall be consistent with the materials board approved with the Basic Concept/ Schematic Drawings.

d. Street Level Design - Street level storefront windows shall be clear glass and may be lightly tinted. Architectural features such as awnings and other design features which add human scale to the streetscape are encouraged where they are consistent with the design theme of the structure. Exit corridors shall provide a finished appearance to the street with street level exterior finishes wrapping into the openings a minimum of ten feet, or if the recess is less than ten feet, the full dimension of such recess.

All exhaust caps, lighting, sprinkler heads, and other elements on the undersides of all balconies and projection surfaces shall be logically composed and placed to minimize their visibility, while meeting code requirements. All soffit materials shall be high quality and consistent with adjacent elevation materials (no stucco or other inconsistent material), and incorporate drip edges and other details to minimize staining and ensure long-term durability.

Mechanical intake and exhaust louvers must be designed to integrate within the overall architectural composition, and painted and textured to match the adjacent surface.

e. Utilitarian areas - Areas housing trash, storage, or other utility services shall be completely concealed from view of the public right-of-way and adjoining developments, except for utilities required to be exposed by the City or utility company. The project shall provide trash and recyclable material storage areas per applicable Municipal Codes. Such areas shall be provided within an enclosed building/garage area and shall be kept clean and orderly at all times. The project shall implement a recycling program to provide for the separation of recyclable materials from the non-recyclable trash materials.

f. Mail/Delivery Locations - It is the Developer's responsibility to coordinate mail service and mailbox locations with the United States Postal Service and to minimize curb spaces devoted to postal/loading use. The Developer shall locate all mailboxes and parcel lockers outside of the public right-of-way, either within the building or recessed into a building wall. A single, centralized interior mail area in a common lobby area is encouraged for all residential units within a project, including associated townhouses with individual street entrances. Individual commercial spaces shall utilize a centralized delivery station within the building or recessed into a building wall, which may be shared with residential uses sharing a common street frontage address.

g. Access – Private vehicular access to the site shall be limited to Nutwood and public vehicular access limited to Kelso; the curb cuts may not exceed thirty (30) feet in width, except as may be allowed through the approval of the Planned Development Permit. The loading bay shall be accessed from the adjacent alley; the curb cut may not exceed twenty four (24) feet.

h. Circulation and Parking - Subterranean parking shall meet the requirements of the Building Inspection Department, Fire Department, and City Engineer. All parking shall be mechanically ventilated. The exhaust system for mechanically ventilated structures shall be located to mitigate noise and exhaust impacts on the residential units, adjoining properties, and public right-of-way.

The Developer shall prepare a plan which identifies the location of curbside parking control zones, parking meters, fire hydrants, trees, and street lights. Such plan shall be submitted in conjunction with 100% Construction Drawings.

i. Open Space/Project Amenities - A landscape plan that illustrates the relationship of the proposed on- and off-site improvements and the location of seating, water, and electrical hookups shall be submitted with 100% Construction Drawings.

j. Roof Tops - A rooftop equipment and appurtenance location and screening plan shall be prepared and submitted with 100% Construction Drawings. Any roof-top mechanical equipment must be grouped, enclosed, and screened from all views. All window washing davits must be designed to be stored in a reclined position, out of sight from off-site views.

k. Eco-Roof – Drawings, relevant details and specifications shall be submitted with the 100% Construction Drawings to include: 1) dimensioned plans included and coordinated with the Building Permit drawings that demonstrate square foot allocations for both planted and non planted areas, and include the gross (total gross area of all roofs over 30 feet in height) and net (after deducting for areas covered by stairway and elevator enclosures and areas devoted to required common or private outdoor open space areas) roof areas; 2) construction details necessary to build the Eco-Roof, with typical sections that include attachments, water proofing, landscape and ground surfaces, both planted and non-planted areas; and, 3) specifications relevant to landscape and irrigation proprietary systems.

l. Building Separation – Any barriers proposed by the Developer to provide separation between the project and the adjacent historical building shall be submitted to Inglewood Redevelopment Agency and the City for review and approval.

m. Signing - All signs shall comply with the City of Inglewood Sign Regulations.

n. Lighting - A lighting plan which highlights the architectural qualities of the proposed project and also enhances the lighting of the public right-of-way shall be submitted with 100% Construction Drawings. All lighting shall be designed to avoid illumination of adjoining properties.

o. Noise Control - All mechanical equipment, including but not limited to, air conditioning, heating and exhaust systems, shall comply with the City of Inglewood Noise Ordinance and California Noise Insulation Standards as set forth in Title 24 of the California Code of Regulations. All mechanical equipment shall be located to mitigate noise and exhaust impacts on adjoining development, particularly residential. Developer shall provide evidence of compliance at 100% Construction Drawings.

p. Energy Considerations - The design of the improvements shall include, where feasible, energy conservation construction techniques and design, including cogeneration facilities, and active and passive solar energy design. The Developer shall demonstrate consideration of such energy features during the review of the 100% Construction Drawings.

q. Street Address - Building address numbers shall be provided that are visible and legible from the public right-of-way.

9 On-Site Improvements

All off-site and on-site improvements shall be designed as part of an integral site development. An on-site improvement plan shall be submitted with the 100% Construction Drawings. The on-site landscaping shall establish a high quality of design and be sensitive to landscape materials and design planned for the adjoining public rights-of-way.

10. Off-Site Improvements

The following public improvements shall be installed in accordance with the City of Inglewood Standards and Policies, subject to any modifications thereto as approved by the City. The Manual is currently being updated and the Developer shall install the appropriate improvements according to the latest requirements at the time of Building Permit issuance:

	Nutwood	Kelso	Grevillea/Park	Alley
Paving	Paving or as agreed upon	Paving or as agreed upon	Paving or as agreed upon	Paving or as agreed upon
Street Trees	Brisbane Box And/or Palo Alto Sweet Gum or as agreed upon	Chinese Evergreen Elm or as agreed upon	Chinese Evergreen Elm or as agreed upon	As agreed upon
Street Lights	Gateway, Standard or as agreed upon	Gateway, Standard or as agreed upon	Gateway, Standard or as agreed upon	Gateway, Standard or as agreed upon

All trees shall be planted at a minimum 36 -inch box size with tree grates in conformance with City standards or such agreement under the approved drawings and plans, and shall meet the requirements of Title 24. Tree spacing shall be accommodated after street lights have been sited, and generally spaced 20 to 25 feet on center. All landscaping shall be irrigated with private water service from the subject property.

The Developer will be responsible for evaluating, with consultation with the City, whether any existing trees within the right-of-way shall be maintained and preserved. No trees shall be removed prior to obtaining a Tree Removal Permit from the City Streets Division.

a. Street Lights - All existing lights shall be evaluated to determine if they meet current City requirements, and shall be modified or replaced if necessary.

b. Sidewalk Paving - Any specialized paving materials shall be approved through the execution of an Encroachment Removal and Maintenance Agreement with the City.

c. On-Street Parking - The Developer shall maximize the on-street parking wherever feasible.

d. Litter Containers – The appropriate number of Standard trash receptacles shall be provided around the Property.

e. Public Utilities (sewer, water and storm drain) - The Developer shall be responsible for the connection of on-site sewer, water and storm drain systems from the development to the City Utilities located in the public right-of-way. Sewer, water, and roof drain laterals shall be connected to the appropriate utility mains within the street and beneath the sidewalk. The Developer may use existing laterals if acceptable to the City, and if not,

Developer shall cut and plug existing laterals at such places and in the manner required by the City, and install new laterals. Private sewer laterals require an Encroachment Maintenance and Removal Agreement.

Proposed private underground sewer facilities located within a single lot shall be designed to meet the requirements of the California Uniform Plumbing Code and shall be reviewed as part of the Building Permit plan check. Prior to the submittal of any public improvement drawings, the Developer shall provide evidence satisfactory to the Metropolitan Wastewater Department Director that each condominium will have its own sewer lateral or provide CC&Rs for the operation and maintenance of on-site private sewer facilities that serve more than one ownership. The Developer shall install all sewer facilities necessary to serve this development, satisfactory to the Metropolitan Wastewater Department Director. All public sewer facilities shall be designed to the most current edition of the City of Inglewood Sewer Design Guide.

Public water facilities are located within the rights-of-way adjacent to the project site. The Developer will be required to 'kill' all unused water services adjacent to the project site and install new services where appropriate. Service kills require an engineering permit and must be shown on a public improvement plan. If and when the Developer submits for a tentative map or tentative map waiver, the Water Department will require evidence of CC&Rs to be recorded against the project which address the operation and maintenance of the private on-site water system serving the project. No structures or landscaping of any kind shall be installed within 10 feet of water facilities, subject to verification with the appropriate City department at the time of pulling the permit(s).

All roof drainage and sump drainage, if any, shall be connected to the storm drain system in the public street, or if no system exists, to the street gutters through sidewalk underdrains. Such underdrains shall be approved through an Encroachment Removal Agreement with the City. The project shall comply with the City of Inglewood Storm Water Management and Discharge Control Ordinance and the storm water pollution prevention requirements of the City.

f. Franchise Public Utilities - The Developer shall be responsible for the installation or relocation of franchise utility connections including, but not limited to, gas, electric, telephone and cable, to the project and all extensions of those utilities in public streets. Existing franchised utilities located above grade serving the property and in the sidewalk right-of-way shall be removed and incorporated into the adjoining development where feasible.

Electrical transformer vaults shall be installed in a subterranean location accessible to the franchise utility form the public right-of-way where feasible. Covers to utility vaults located in the public right-of-way shall be designed as a pan which allows the lid to be in filled with the same paving materials used in the adjoining right-of-way where feasible.

g. Fire Hydrants - If required, the Developer shall install fire hydrants at locations satisfactory to the Fire Department.

h. Backflow preventers - The Developer shall locate all water meters and backflow preventers in locations satisfactory to the Water Utilities Department and City. Backflow preventers shall be located outside of the public right-of-way adjacent to the project's water meters, either within the building, a recessed alcove area, or within a plaza or landscaping area. The devices shall be screened from view from the public right-of-way. All items of improvement shall be performed in accordance with the technical specifications, standards, and practices of the City of Inglewood's Engineering and Building Inspection Departments and shall be subject to their review and approval. Improvements shall meet the requirements of Title 24 of the State Building Code.

11. Environmental Impact Mitigation and Archaeological/Paleontological Protection

If and as applicable, the Developer shall be responsible for full compliance with any Mitigation Monitoring and Reporting Program (MMRP) as may be outlined in an Environmental Secondary Study prepared for the project. If applicable, qualified archaeological and paleontological monitors shall be retained to carefully monitor the excavation and grading activities while the project is underway in accordance with such MMRP.

12. Model

Prior to obtaining a Building Permit, the Developer shall provide a one-inch (1") to fifty-foot (50') scale block building model which illustrates the true scale of the buildings on the site based on the building facade and the floor plate of the structure from the ground floor to and including the rooftop. No base is required. Landscaping at the ground level shall also be shown. Architectural detail such as windows, door, and balconies shall not be shown. Other building elements and articulation less than three feet in scaled dimension need not be shown.

The model shall be made of solid acrylic plastic (e.g., Lucite, Plexiglas), be colored solid white and be compatible with the scale and contours of the model of downtown on display at the City. Upon acceptance by City, the model shall be installed by the Developer or his designated representative on the model of downtown and the model shall become the property of the City for its use.

13. Construction Fence

Developer shall install a construction fence pursuant to specifications of, and a permit from, the City Engineer. The fence shall be solid plywood with wood framing, painted a consistent color with the project's design, and shall contain a pedestrian passageway, signs, and lighting as required by the City Engineer. The fencing shall be maintained in good condition and free of graffiti at all times.

14. Development Identification Signs

Prior to commencement of construction on the Property, the Developer shall prepare and install, at its cost and expense, two signs on the barricades around the Property which identifies the development. Each sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrian and vehicular traffic. The signs shall at a minimum include:

--- Color rendering of the development
--- Development name
--- Developer
--- The phrase:

A project of the
CITY OF INGLEWOOD ECONOMIC DEVELOPMENT DEPARTMENT
Mayor James T. Butts, Jr.
Council Members: Mike Stevens
Judy Dunlap
Eloy Morales, Jr.
Ralph L. Franklin

--- Completion Date_____ _____.
--- For information call_____.

The sign shall also contain the CITY OF INGLEWOOD logo and the appropriate City Construction Hotline phone number. Additional project signs may be provided around the perimeter of the site. All signs shall be limited to a maximum of 160 square feet per street frontage. Graphics may also be painted on any barricades surrounding the site. Developer shall be responsible for ensuring that the sign contains the current City Council members. All signs and graphics shall be submitted to City for approval prior to installation.

15. Construction and operation of the approved use shall comply at all times with the regulations of this or any other governmental agencies.

16. This project shall comply with the standards, policies, and requirements in effect at the time of the City's approval of this project, including any successor or new policies, financing mechanisms, phasing schedules, plans and ordinances adopted by the City of Inglewood.

Exhibit E
to LMIHF Loan Agreement

PROPOSED DEMOLITION WORK PLANS

Developer shall prepare and submit and obtain approvals necessary for the demolition of all the structures on the Property, including any and all remediation necessary in conformance with the City, County, State and Federal laws, including but not limited to the reports containing evidence of hazardous materials set forth below:

(a) Lead-Based Paint Inspection Report prepared by Pacific Environmental Company dated March 2, 2011 bearing Project No. 11035.

(b) Asbestos Survey Report prepared by Pacific Environmental Company dated March 4, 2011 bearing Project No. 11035.

The proposed demolition work plans shall be submitted with and made part of the submittals with the Scope of Development and Applicable Government Approvals as noted in the Schedule of Performance.

Exhibit F
to LMIHF Loan Agreement

FORM OF LMIHF PROMISSORY NOTE

LMIHF PROMISSORY NOTE
(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

Up to $8,284,419

Inglewood, California

January 23, 2012

FOR VALUE RECEIVED, Grevillea Housing, L.P., a California limited partnership ("Borrower"), promises to pay to the City of Inglewood, a municipal corporation (the "City"), the principal sum of up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419), or so much as is disbursed to Borrower, plus interest thereon pursuant to Section B., below.

A. Borrower's Obligation. This LMIHF Promissory Note (the "Note") evidences the Borrower's obligation to pay the City the principal amount of up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419) (the "Loan"), for the funds loaned to the Borrower by the City to finance the acquisition and construction of the Development pursuant to that certain LMIHF Loan Agreement, between the Borrower and the City, dated as of January 23, 2012 (the "Loan Agreement"). The Inglewood Redevelopment Agency ("Agency") and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area including the implementation of certain multifamily housing projects, including, without limitation, the Development and servicing the Loan. All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

B. Interest.

(1) Interest Rate. Subject to the provisions of subsection B.(2) below, the outstanding principal balance of the Loan shall bear simple interest at the annual rate of three percent (3%) per annum commencing with the date of first disbursement.

(2) Default Rate. In the event of a Default, interest on the Loan shall begin to accrue, as of the date of Default and continuing until such time as the Loan funds are repaid in

full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

C. Term and Repayment Requirements.

(1) The term of the Loan shall commence with the date of this Note and shall expire fifty-five (55) years from the date of recordation of the Release of Construction Covenants by the City in the Official Records of Los Angeles County Recorder.

(2) Annual Payments. Subject to the terms of subsection C.(3) below, commencing on January 1, following Completion of the Development (but in no event later than January 1, 2013) and on January 1 of each year thereafter for the Term, the Borrower shall make repayments of the Loan in the amount of the City's Share of Residual Receipts as defined below. Payment of the City's Share of Residual Receipts shall be credited first against accrued interest and then against outstanding principal, and shall be accompanied by the Borrower's report of Residual Receipts (including an independent auditor's report regarding the auditor's review of Annual Operating Expenses). Each payment shall be accompanied by the City's form of Residual Receipts Report in the form attached to the Loan Agreement as Exhibit K. The Borrower shall provide the City with any documentation reasonably requested by the City to substantiate the Borrower's determination of Residual Receipts.

(3) Special Repayment from Net Proceeds of Permanent Financing. One Hundred percent (100%) of Net Proceeds of Permanent Financing shall be paid to the City as a special repayment of the Loan.

(4) Determination of Net Proceeds of Permanent Financing. The amount of the Net Proceeds of Permanent Financing shall be determined by the Borrower and submitted to the City for approval on the date the Borrower submits the final cost audit for the Development to the TCAC. The amount of the Net Proceeds of Permanent Financing shall be calculated using the actual principal amount of the permanent loans and/or grants made to Borrower, provided that Borrower provides sufficient evidence that the permanent loan is the maximum principal amount that Borrower could secure for the Development applying reasonable underwriting standards. The Borrower shall also submit to the City any additional documentation sufficient to verify the amount of the Net Proceeds of Permanent Financing. The City shall reasonably approve or disapprove Borrower's determination of the amount of the Net Proceeds of Permanent Financing in writing within sixty (60) days of the receipt of Borrower's cost audit and supplemental documentation. If Borrower's determination is disapproved by the City, Borrower shall re-submit documentation to the City until the City approval is obtained. The City's share of the Net Proceeds of Permanent Financing shall be due the City from the Borrower no later than five (5) days following the date Borrower closes the permanent financing for the Development. The City Administrator or designee is authorized to approve a reduced Special Repayment from Net Proceeds of Permanent Financing of the Loan pursuant to this subsection in the event the City Administrator or designee determines in the City Administrator or designee's sole and absolute discretion that such funds are required to pay project costs reasonably incurred by Borrower and approved by the City pursuant to the Financing Plan.

(5) Due in Full. All principal and accrued interest on the Loan shall be due in full on the earliest to occur of: (a) the date of any Transfer not authorized by the City, (b) the date of any Default, or (c) the expiration of the Term.

(6) Right to Prepay. The Borrower shall have the right to prepay the Loan at any time without premium or penalty. However, this Agreement and the City Regulatory Agreement shall remain in effect for the entire Term regardless of any prepayment.

(7) Special Definitions. The following definitions shall apply for purposes of this Note:

(a) "City's Share of Residual Receipts" shall mean fifty percent (50%) of Residual Receipts.

(b) "Annual Operating Expenses" with respect to a particular calendar year shall mean the following costs reasonably and actually incurred for operation and maintenance of the Development to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles:

(i) property taxes and assessments imposed on the Development;

(ii) debt service currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Development) on loans associated with the Scope of Development and approved by the City;

(iii) property management fees and reimbursements, not to exceed fees and reimbursements which are standard in the industry, and pursuant to a management contract approved by the City;

(iv) premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, and trash collection; maintenance and repair;

(v) any annual license or certificate of occupancy fees required for operation of the Development;

(vi) security services;

(vii) advertising and marketing;

(viii) fees for resident services in the annual amount approved by the City in the Resident Services Budget;

(ix) cash deposited into reserves for capital replacements of the Development in an amount to be approved by the City as part of the Final Financing Plan;

(x) cash deposited into an operating reserve in an amount to be approved by the City as part of the Final Financing Plan and annual operating budgets, but with the operating reserve capped at six (6) months of gross rent from the Development (as such rent may vary from time to time);

(xi) asset management fee in the amount of Fifteen Thousand Dollars ($15,000) subject to an annual adjustment not to exceed three and one half percent (3.5%);

(xii) for the first fifteen (15) years of the Term, a partnership management fee in the amount of Five Thousand Dollars ($5,000) subject to an annual adjustment not to exceed three and one half percent (3.5%);

(xiii) deferred Borrower fee in an amount to be approved by the City as part of the Final Financing Plan;

(xiv) municipal services fee paid pursuant to Section 5.2 below;

(xv) extraordinary operating costs specifically approved by the City; and

(xvi) payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves,

(xvii) reasonable accounting fees and legal fees; and

(xviii) other ordinary and reasonable operating expenses approved by the City and not listed above.

"Annual Operating Expenses" shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account.

(c) "Gross Revenue," with respect to a particular calendar year, shall mean all revenue, income, receipts, and other consideration actually received from operation and leasing of the Development. "Gross Revenue" shall include, but not be limited to:

(i) all rents, fees and charges paid by tenants, Section 8 payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income;

(ii) the proceeds of business interruption or similar insurance;

(iii) the fair market value of any goods or services provided in consideration for the leasing or other use of any portion of the Development

(iv) subject to the rights of Senior Lenders, the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Development (or applied toward the cost of recovering such proceeds); and

(v) condemnation awards for a taking of part or all of the Development for a temporary period.

"Gross Revenue" shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

(d) "Residual Receipts" in a particular calendar year shall mean the amount by which Gross Revenue (as defined above) exceeds Annual Operating Expenses (as defined above).

(e) Reports and Accounting of Residual Receipts.

(i) Audited Financial Statement. In connection with the annual payments required pursuant to subsection C. (2) of this Note, within one hundred twenty (120) days of the end of the Borrower's fiscal year, the Borrower shall furnish to the City an audited statement duly certified by an independent firm of certified public accountants approved by the City, setting forth in reasonable detail the computation and amount of Residual Receipts during the preceding calendar year.

(ii) Books and Records. The Borrower shall keep and maintain on the Property, or at its principal place of business, or elsewhere with the City's written consent, full, complete and appropriate books, records and accounts relating to the Development, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail the Borrower's calculation of Residual Receipts. Books, records and accounts relating to the Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied, and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the City, its auditors or other City authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that the Borrower may be required to furnish any governmental agency shall at all reasonable times, and upon twenty-four (24) hours notice, be open for inspection by the City at the place that the books, records and accounts of the Borrower are kept. The Borrower shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (c) below then pending.

(iii) Audits. The receipt by the City of any statement pursuant to subsection (e)(i) above or any payment by the Borrower or acceptance by the City of any loan repayment for any period shall not bind the City as to the correctness of such statement or such payment. Within three (3) years after the receipt of any such statement, the City or any designated agent or employee of the City at any time shall be entitled to audit the Residual Receipts and all books, records, and accounts pertaining thereto. Such audit shall be conducted during normal business hours at the principal place of business of the Borrower and other places where records are kept. Immediately after the completion of an audit, the City shall deliver a copy of the results of such audit to the Borrower. If it shall be determined as a result of such audit that there has been a deficiency in a loan repayment to the City, then such deficiency shall become immediately due and payable with interest at the default rate set forth in this Agreement, determined as of and accruing from the date that said payment should have been made. In addition, if the Borrower's auditor's statement for any Development fiscal year shall be found to have understated Residual Receipts by more than five percent (5%) and at least Five Thousand Dollars ($5,000), and the City is entitled to any additional Loan repayment as a result of said understatement, then the Borrower shall pay, in addition to the interest charges referenced hereinabove, all of the City's reasonable costs and expenses connected with any audit or review of the Borrower's accounts and records.

(f) Non-Recourse.

Except as provided below, the Borrower shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan. Following recordation of the Deed of Trust, the sole recourse of the City with respect to the principal of, and interest on, this Note shall be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall: (i) limit or impair the enforcement against all such security for this Note of all the rights and remedies of the City thereunder; (ii) be deemed in any way to impair the right of the City to assert the unpaid principal amount of this Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto; (iii) be deemed in any way to limit the rights of the City to obtain specific performance by the Borrower of its covenants under the Loan Documents, other than the covenants to pay the City principal and interest due under this Note. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on this Note; nothing contained herein is intended to relieve the Borrower of its obligation to indemnify the City under Sections 4.5(c), 5.6, and 8.5 of the Loan Agreement, or liability for: (1) fraud or willful misrepresentation; (2) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (3) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; and (4) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development.

D. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the City as provided in Article 5 of the Loan Agreement.

E. Security. This Note is secured by the Deed of Trust covering the Property and the Assignment of Plans from Borrower to City, dated the date of this Note.

F. Terms of Payment.

(1) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(2) All payments on this Note shall be paid to City at City Hall, Economic Development Department, One Manchester Avenue, Fourth Floor, Inglewood, California 90301 Attention: City Administrator or to such other place as the City may from time to time designate in writing.

(3) All payments on this Note shall be without expense to the City, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of the City, incurred in connection with the payment of this Note and the release of any security hereof.

(4) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the City may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

G. Default.

(1) Any of the following shall constitute an Event of Default under this Note:

(i) Any failure to pay, in full, any payment required under this Note when due following written notice by City of such failure and thirty (30) days opportunity to cure;

(ii) Any failure in the performance by the Borrower of any term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in Section 7.1 of the Loan Agreement; and

(iii) The occurrence of any Event of Default under the Loan Agreement, the Deed of Trust, or the Regulatory Agreement, or other instrument securing the

obligations of the Borrower under this Note or under any other promissory notes hereafter issued by the Borrower to the City pursuant to the Loan Agreement or the Deed of Trust, subject to notice and cure periods, if any, set forth therein.

(2) Upon the occurrence of such an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the City become immediately due and payable upon written notice by the City to the Borrower without further demand.

(3) The failure to exercise the remedy as set forth in Section 7.2(b) of the Loan Agreement or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by City hereof of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of the City, except as and to the extent otherwise provided by law.

H. Waivers.

(1) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the City may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

(2) No extension of time for payment of this Note or any installment hereof made by agreement by the City with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(3) The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

I. Miscellaneous Provisions.

(1) All notices to the City or the Borrower shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as the City and the Borrower may hereinafter designate.

(2) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by the City in the enforcement of the provision of this Note, regardless of whether suit is filed to seek enforcement.

(3) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(4) This Note shall be governed by and construed in accordance with the laws of the State of California.

(5) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(6) This document, together with the Loan Documents (as defined in the Loan Agreement), contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

BORROWER:

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

Exhibit G
to LMIHF Loan Agreement

FORM OF LMIHF DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

4021-015-018;
4021-015-019;
4021-015-020; and
4021-015-021

LMIHF DEED OF TRUST
WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT
(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

THIS LMIHF DEED OF TRUST WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Deed of Trust") is made as of January 23, 2012, by and among the Grevillea Housing, L.P., a California limited partnership ("Trustor"), First American Title Company, a California corporation ("Trustee"), and the City of Inglewood, a public body corporate and politic ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located in the City of Inglewood, County of Los Angeles, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment (except laundry equipment owned by third parties), machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and

proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (collectively, the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Article 1 below) until paid or cancelled and any other amounts owing under the Loan Documents. Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents (defined in Section 1.2 below).

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan Agreement" means that certain LMIHF Loan Agreement, between the Beneficiary and Trustor, dated as of January 23, 2012, providing for the City to loan to the Trustor an amount up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419) ("Loan" or "LMIHF Loan") for the acquisition and development of the Property. The Inglewood Redevelopment Agency, a public body, corporate and politic (the "Agency") and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area including the implementation of certain

multifamily housing projects, including, without limitation, the Development and servicing the LMIHF Loan. All capitalized terms not otherwise defined in this Deed of Trust shall have the meanings set forth in the Loan Agreement.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the LMIHF Note, the Loan Agreement, the LMIHF Regulatory Agreement, Notice of Restriction on Transfer of Property, the Assignment of Plans, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the LMIHF Promissory Note in the principal amount of up to Eight Million Two Hundred Eighty-Four Thousand Four Hundred Nineteen Dollars ($8,284,419) of even date herewith executed by Trustor, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Notice of Affordability Restrictions" means the Notice of Affordability Restrictions on Transfer of Property between the Trustor and the Beneficiary to be recorded against the Property.

Section 1.6 The term "Regulatory Agreement" means the LMIHF Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith by and between the Beneficiary and the Trustor.

Section 1.7 The term "Senior Lenders" means lenders making loans under the Approved Financing as defined in Section 1.1 of the Loan Agreement.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

(a) The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

(b) Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien

against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file or record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

(c) Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Los Angeles County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements. Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for site access, installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, cable, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

(a) As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each resident of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as

trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each resident of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each resident therefor, delivered to each resident personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said resident to inquire further as to the existence of a default by Trustor.

(b) Trustor hereby covenants that, except to senior mortgage lenders, Trustor has not executed any prior assignment of said rents, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

(c) Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

(d) All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

(e) If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations secured by this Deed of Trust pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

(a) Trustor shall pay, or cause to be paid, at least fifteen (15) days prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (1) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (2) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (2) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

(b) In the event that Trustor shall fail to pay any of the foregoing items required by this Section 3.1 to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

(a) Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at

all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

(b) All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances. In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Beneficiary, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages. Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or in any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property ("Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition including repair or restoration in accordance with Section 5.7(b) of the Loan Agreement. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any senior mortgage lender.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property. The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses. In the event of any Event of Default (as defined below) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal. The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the LMIHF Note in the amounts and by the times set out therein.

Section 5.4 Personal Property. To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code.

Section 5.5 Financing Statement. The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the LMIHF Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security. The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security. At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts,

engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

(a) The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(b) Notwithstanding the preceding paragraph, with respect to familial status, the preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the preceding paragraph. The foregoing covenants shall run with the land and survive the termination of this Agreement.

ARTICLE 6
HAZARDOUS WASTE

Section 6.1 Hazardous Waste.

(a) Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily kept and used in and about multifamily residential property.

(b) Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (1) any and all enforcement, cleanup, removal or other governmental or

regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (2) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (1) and (2) above hereinafter referred to a "Hazardous Materials Claims"); and (3) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (1) all foreseeable consequential damages; (2) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (3) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (1) and (2), including but not limited to reasonable attorneys' fees.

(d) Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken

(e) Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if either (1) a particular remedial action is ordered by a court of competent jurisdiction, (2) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (3) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (4) the action has been agreed to by Beneficiary.

(f) The Trustor hereby acknowledges and agrees that (1) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (2) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(g) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the rate specified in the LMIHF Note until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; or (3) failure to make any payment or perform any of Trustor's other covenants, agreements, or obligations under any other debt instruments or regulatory agreement secured by the Property, which default shall not be cured within the times and in the manner provided therein.

Section 7.2 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and the unpaid Secured Obligation shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession. If an Event of Default shall have occurred and be continuing, the Beneficiary may:

Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Sale (as defined below) hereunder or invalidate any act done in response to such Default or pursuant to such Notice of Sale and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Los Angeles County; or

Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give notice to the Trustee (the "Notice of Sale") and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

Upon receipt of such Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as then required by law and by

this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (1) the unpaid Principal amount of the LMIHF Note; (2) all other Secured Obligations owed to Beneficiary under the Loan Documents; (3) all other sums then secured hereby; and (4) the remainder, if any, to Trustor.

Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefore. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be

construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to a breach by Trustor, or a waiver of any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

If the Beneficiary (1) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (2) takes other or additional security or the payment of any sums secured hereby, (3) waives or does not exercise any right granted in the Loan Documents, (4) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (5) consents to the granting of any easement or other right affecting the Security, or (6) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security. The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver. The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late

charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments. This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee. Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full upon expiration of the term of the Regulatory Agreement, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

(a) If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

The City of Inglewood
Economic Development Department
City Hall
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

and (2) if intended for Trustor shall be addressed to:

Grevillea Housing, LP
c/o Abode Communities
701 East Third Street, Suite 400
Los Angeles, California 90013
Attn: Ms. Robin Hughes, Chief Executive Officer

(b) Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. A copy of any notice sent to Beneficiary must also be sent to the Office of the City Clerk at the above address. Either party may change its address at any time by giving

written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors. Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage. Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions. Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record,

which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions. Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Property encumbered by this Deed of Trust, the following rule contained in 26 U.S.C. Section 42(h)(6)(E)(ii), as amended, shall apply:

(a) For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Internal Revenue Code.

[Signature Page Follows]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date of notarization shown on the notary acknowledgement which follows.

TRUSTOR:

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

EXHIBIT A
Legal Description

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Exhibit H
to LMIHF Loan Agreement

FORM OF NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

The City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

NOTICE IS HEREBY GIVEN, that the City of Inglewood, a municipal corporation (the "City"), to carry out certain obligations under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.), and the Redevelopment Plan for the Inglewood Redevelopment Project, pursuant to that certain Cooperation Agreement with the Inglewood Redevelopment Agency, a public body, corporate and politic (the "Agency"), dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area, has required Grevillea Housing, L.P., a California limited partnership ("Owner"), to enter into certain affordability covenants and restrictions entitled, Regulatory Agreement and Declaration of Restrictive Covenants (the "Restrictions"), with reference to a housing development (the "Development") situated on that certain real property (the "Property"), located at 100 East Nutwood Street, in the City of Inglewood, County of Los Angeles, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

The affordability covenants and restrictions contained in the Restrictions include without limitation and as further described in the Restrictions:

1. Seven (7) Units, including two (2) two-bedroom Units and five (5) three-bedroom Units in the Development are restricted for occupancy by very low income households, at rents affordable to very low income households; and

2. Forty–Six (46) Units, including thirty (30) two-bedroom Units and Sixteen (16) three-bedroom Units, in the Development are restricted for occupancy by low income households, at rents affordable to low income households; and

3. Eight (8), including Three (3) two-bedroom Units and Five (5) three-bedroom units, in the Development are restricted for occupancy by moderate income households, at rents affordable to moderate income households; and

4. Additional requirements concerning operation, management, and maintenance of the Development are also imposed by the Restrictions.

In the event of any conflict between this Notice of Affordability Restrictions on Transfer of Property (the "Notice") and the Restrictions, the terms of the Restrictions shall prevail.

The Restrictions have been recorded concurrently herewith, and shall remain in effect for fifty-six (56) years from the date of recordation of this Notice.

This Notice is being recorded and filed by the City in furtherance of the Cooperation Agreement and in compliance with Health and Safety Code Sections 33334.3(f)(3) and (4) and/or Section 33413(c)(5), as amended effective this date, and shall be indexed against the City and the Owner.

IN WITNESS WHEREOF, the parties have entered into this Notice of Affordability Restrictions on Transfer of Property on or as of January 23, 2012.

OWNER:

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

CITY:

CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr.
Mayor

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

EXHIBIT A

Legal Description

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Exhibit I
to LMIHF Loan Agreement

FORM OF LMIHF REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

LMIHF REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS
(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into as of January 23, 2012, by and between the City of Inglewood, a municipal corporation (the "City") and Grevillea Housing, L.P., a California limited partnership (the "Owner").

RECITALS

1. These Recitals refer to and utilize certain capitalized terms which are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use of capitalized terms in these Recitals.

2. The City Council of the City of Inglewood adopted the redevelopment plan (the "Redevelopment Plan") for the Amended and Restated Merged Inglewood Redevelopment Project on July 30, 1996 (the "Project Area") by Ordinance Nos. 96-11, 96-12, 96-13, 96-14, 96-15, and 96-16, as subsequently amended.

3. The intent of the Redevelopment Plan is, in part, to attain the purposes of the California Community Redevelopment Law by: (1) elimination of areas suffering from economic dislocation and disuse; (2) replanning, redesign and/or redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise acting alone without public participation and assistance; (3) protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means; and

(4) installation of new or replacement of existing public improvements, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities. The Redevelopment Plan governs the development and use of all real property located within the redevelopment project area more particularly described in the Redevelopment Plan.

4. The Inglewood Redevelopment Agency ("Agency") is responsible for implementation of the Redevelopment Plan.

5. The Agency and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area.

6. Pursuant to the Cooperation Agreement, among other things, the Agency has transferred to the City all of the Agency's rights to Agency funds and tax increment revenues from the Project Area (the "Project Area Funds"), and the City has accepted the Project Area Funds for purposes of aiding and cooperating with the Agency in the redevelopment of various properties located within the Project Area in accordance with the Redevelopment Plan.

7. Pursuant to that certain Property Acquisition Agreement and Joint Escrow Instructions between the Developer as seller and City as buyer dated December 22, 2011 (the "Acquisition Contract"), the City acquired from Developer fee title to certain real property constituting a development site of approximately 1.14 acres in the Project Area, bordered generally by Nutwood Avenue to the north, Kelso Street to the south, La Brea to the east and Grevillea to the west, specifically identified as 100 East Nutwood Avenue, and more particularly described in the Legal Description attached hereto as Exhibit "A" (the "Property").

8. Concurrently with the execution of this Agreement, the City and Developer are entering into an Affordable Housing Agreement (the "AHA") which sets out the terms and conditions of the development of the affordable housing project.

9. The Developer has submitted a proposal for a single phase development of the approximately 49,600 square feet of land area comprising of the Property with sixty-two (62) units of affordable housing (the "Affordable Units") along with required parking (the "Development").

10. The Development along with all requirements of the AHA concerning the Property (the "Project") in the Project Area will further the goals of alleviating blighting conditions and stimulating economic development in the Project Area.

11. The construction, development, and operation of the Project will be in conformance with the United States Department of Housing and Urban Development ("HUD"), HOME Regulations, 24 CFR Part 92 ("HOME Program").

12. This Agreement is made pursuant to the loan by the City of certain low and moderate income housing funds dated January 23, 2012 (the "Loan Agreement"). The funds

loaned to Owner pursuant to the Loan Agreement consist of Agency Low and Moderate Income Housing Funds. Pursuant to Health and Safety Code section 33334.3, the Agency must restrict developments assisted with funds from the Agency's Low and Moderate Income Housing Fund, so that the developments remain affordable to very low, low and moderate income households for the longest feasible time. This Agreement is intended to implement this requirement

13. The Developer intends to provide long-term affordability covenants on the Units in the Development.

14. Expenditure of monies deposited in the Low and Moderate Income Housing Fund to fund the acquisition and related costs will serve the purposes of Health and Safety Code section 33334.2, as well as the goals and objectives of the Redevelopment Plan for the Project Area, by improving and increasing the community's supply of affordable housing.

15. The Agency has agreed to loan funds to Owner on the condition that the Development be maintained and operated in accordance with Health and Safety Code Sections 33334.2 *et seq.*, 33413(a) and 33413(b)(2)(A)(ii) and in accordance with additional restrictions concerning affordability, operation, and maintenance of the Development, as applicable.

16. Through this Agreement and accompanying documents the City is imposing occupancy and affordability restrictions on the Development in order to utilize the sixty-one (61) units in partial satisfaction of its adequate sites inventory pursuant to Government Code Section 65583.1(c).

17. Owner intends to impose occupancy and affordability restrictions on the Development in order to meet low and moderate income housing production requirements applicable to the Project Area pursuant to Health and Safety Code Section 33413(b)(2)(A)(ii).

18. In consideration of receipt of the Loan at an interest rate substantially below the market rate, Owner has further agreed to observe all the terms and conditions set forth below.

19. In order to ensure that the entire Development will be used and operated in accordance with these conditions and restrictions, the City and Owner wish to enter into this Agreement.

THEREFORE, the City and Owner hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. When used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

(a) "Actual Household Size" shall mean the actual number of persons in the applicable household.

(b) "Adjusted Income" shall mean the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914

or pursuant to a successor State housing program that utilizes a reasonably similar method of calculation of adjusted income. In the event that no such program exists, the City shall provide the Owner with a reasonably similar method of calculation of adjusted income as provided in said Section 6914.

(c) "Agency" shall mean the Inglewood Redevelopment Agency, a public body, corporate and politic.

(d) "Agreement" shall mean this Regulatory Agreement and Declaration of Restrictive Covenants.

(e) "Assumed Household Size" shall have the meaning set forth in Section 2.3(d). The definition is utilized to calculate affordable rent and is not intended to be a limit on the number of persons occupying a unit.

(f) "City" shall mean the City of Inglewood, municipal corporation, which body carries out the Agency's obligations under the Loan Agreement pursuant to that certain Cooperation Agreement dated January 25, 2011 with the Agency, as amended.

(g) "City" shall mean the City of Inglewood, a municipal corporation.

(h) "Deed of Trust" shall mean the LMIHF Deed of Trust in favor of the City on the Property which secures repayment of the Loan and performance of this Agreement.

(i) "Development" shall mean the Property and he Improvements (including the Improvements as rehabilitated in accordance with the City Loan Documents).

(j) "Income Report" has the meaning set forth in Section 2.1.

(k) "Loan" shall mean all funds loaned to Owner pursuant to the Loan Agreement.

(l) "Loan Agreement" shall mean the LMIHF Loan Agreement entered into by and between the City and Owner, dated of even date herewith.

(m) "Lower Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for lower income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by the State of California Department of Housing and Community Development.

(n) "Lower Income Rent" shall mean the rent permitted to be charged for a Lower Income Unit pursuant to Section 2.3(b) below.

(o) "Lower Income Units" shall mean the Units, which, pursuant to Section 2.2(b) below, are required to be occupied by Lower Income Households.

(p) "Median Income" shall mean the median gross yearly income adjusted for Actual Household Size (to qualify residents) or Assumed Household Size (to calculate rents), as

applicable, in the County of Los Angeles, California, as published from time to time by the State of California Department of Housing and Community Development. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide the Owner with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by the State of California Department of Housing and Community Development.

(q) "Note" shall mean the LMIHF Promissory Note from Owner to the City evidencing all or any part of the Loan.

(r) "Owner" shall mean Grevillea Housing, L.P., a California limited partnership, and its successors and assigns to the Development.

(s) "Property" shall mean the real property described in Exhibit A attached hereto and incorporated herein.

(t) "Rent" shall mean the total of monthly payments by the residents of a Unit (other than the manager's Unit) for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Owner which are required of all residents, other than security deposits; the cost of an adequate level of service for utilities paid by the resident, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not cable or telephone service; any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Owner, and paid by the Resident.

(u) "Resident" shall mean a household occupying a Unit.

(v) "Term" shall mean the term of this Agreement, which shall commence on the date of this Agreement and shall expire on the fifty-fifth (55th) anniversary of the date of recordation of this Agreement.

(w) "Units" shall mean the sixty-two (62) rental units to be developed by the Owner on the Property, including the Manager's Unit as defined in Section 1.1 of the Loan Agreement.

(x) "Very Low Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for very low income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by the State of California Department of Housing and Community Development.

(y) "Very Low Income Rent" shall mean the rent permitted to be charged for a Very Low Income Unit pursuant to Section 2.3(a) below.

(z) "Very Low Income Units" shall mean the Units, which, pursuant to Section 2.2(a) below, are required to be occupied by Very Low Income Households.

ARTICLE 2
AFFORDABILITY COVENANTS

Section 2.1 Duty to Assess Resident Incomes and Rents. Promptly following Owner's development of the Property and on an ongoing basis, Owner shall diligently take reasonable steps to obtain income and rent certifications from all residents of the Development, and Owner verified resident incomes in compliance with the requirements of Section 3.1 below. Owner shall provide the City with a written report of resident incomes and rents within sixty (60) days of occupancy of the Development (the "Income Report").

Section 2.2 Occupancy Requirements.

(a) Very Low Income Units.

(i) Thirty Percent (30%) Median. Seven (7) Units, including two (2) two-bedroom Units and five (5) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households at Thirty Percent (30%) Median Income.

(ii) Forty Percent (40%) Median. Seven (7) Units, including three (3) two-bedroom Units and four (4) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households at Forty Percent (40%) Median Income.

(iii) Forty Five Percent (45%) Median. Thirty Nine (39) Units, including twenty seven (27) two-bedroom Units and twelve (12) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households at Forty Five Percent (45%) Median Income.

(b) Lower Income Units (Sixty Percent (60%) Median). Eight (8) Units, including three (3) two-bedroom Units and five (5) three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Lower Income Households at Sixty Percent (60%) Median Income.

(c) Manager's Unit. One (1) three-bedroom unit shall be available for designation as the manager's unit.

Section 2.3 Allowable Rent.

(a) Very Low Income Rent. Subject to Section 2.4(a) below, the Rent charged to Residents of the Very Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of Median Income, adjusted for Assumed Household Size.

(b) Lower Income Rent. Subject to Section 2.4(a) below, the Rent charged to Residents of the Lower Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of Median Income, adjusted for Assumed Household Size.

(c) In calculating the allowable Rent for the Units, the following Assumed Household Sizes shall be utilized, provided that the Development receives an allocation of Low Income Housing Tax Credits, otherwise Assumed Household Size shall be determined pursuant to the terms of Health and Safety Code Section 50052.5(h):

Number of Bedrooms	Assumed Household Size
Two	3
Three	5

(d) Contingent on the receipt of Low Income Housing Tax Credits, Owner understands and agrees, notwithstanding the subsection immediately proceeding this subsection, Rent shall be the lower of (i) regulations of the United States Department of Housing and Urban Development in 24 CFR Part 92 ("HOME Regulations"); (ii) the regulations under the Tax Credit Allocation Committee ("TCAC Regulations"); or (iii) the Community Redevelopment Law ("CRL"). A the present time, the Owner and City agree that the TCAC Regulations likely govern all two-bedroom units as the estimate as of the date of this Agreement shows the HOME Regulations and CRL with higher rents; as to the three-bedroom units TCAC Regulations likely govern Rents for Units at 30%, 40%, and 60% Median Income and the CRL likely governs the Rent for Units at the 45% Median Income.

(e) No later than November 1 of each calendar year, the City shall provide the Owner with a schedule of permissible maximum Extremely Low Income Rents, Very Low Income Rents and Lower Income Rents for the succeeding year. Under no circumstance may Owner raise rents above the permissible maximum rents as allowed under the annual rent schedule provided by the City.

Section 2.4 Increased Income of Residents.

(a) Very Low Income Household to Lower Income Household. If, upon recertification of a Resident's income, the Owner determines that a former Very Low Income Household's Adjusted Income has increased and exceeds the qualifying income for a Very Low Income Household set forth in Section 1.1 above, but does not exceed the qualifying limit for a Lower Income Household as set forth in Section 1.1 above, then, upon expiration of the Resident's lease:

(1) Such Resident's Unit may be considered a Lower Income Unit;

(2) Such Resident's Rent may be increased to a Lower Income Rent, upon sixty (60) days written notice to the Resident; and

(3) The Owner shall rent the next available Unit to a Very Low Income Household at a Very Low Income Rent.

(b) Non-Qualifying Household. If, upon recertification of a Resident's income, the Owner determines that a former Very Low Income Household or Lower Income Household Adjusted Income has increased and exceeds the qualifying income for Lower Income

Households set forth in Section 1.1 (above one hundred twenty percent (120%) of area median income) then upon expiration of the Resident's Lease:

(1) Owner shall send such resident a written notice of termination of tenancy informing Resident that Resident must vacate the unit. Owner shall allow Resident at least one hundred twenty (120) days from the date the Resident's lease terminates and move out. Such period may be extended for family circumstances at Owner's discretion and upon approval by the City; and

(2) The Owner shall rent the next available Unit to a Very Low Income Household or a Lower Income Household, as applicable, at Rent not exceeding the maximum Rent specified in Section 2.3(a) or 2.3(b), as applicable, to comply with the requirements of Section 2.2 and Section 2.3 above.

(c) Termination of Occupancy. Except if the character of a Unit as a Very Low Income Unit or Lower Income Unit has been redetermined pursuant to this Section 2.4 due to the increased income of a Resident, upon termination of occupancy of a Unit by a Resident, such Unit shall be deemed to be continuously occupied by a household of the same income level (e.g., Very Low Income Household or Lower Income Household as the initial income level of the vacating Resident, until such Unit is reoccupied, at which time the income character of the Unit (e.g., Very Low Income Unit or Lower Income Unit) shall be redetermined. If the character of the Unit as a Very Low Income Unit or a Lower Income Unit has been redetermined pursuant to this Section 2.4, upon termination of occupancy of a Unit by a Resident, such Unit shall be deemed to be continuously occupied by a household of the same income level (e.g., Very Low Income Household or Lower Income Household) as the income level of the vacating Resident, until such Unit is reoccupied, at which time the income character of the Unit (e.g., Very Low Income Unit or Lower Income Unit) shall be redetermined.

Section 2.5 Resident Selection.

(a) Before leasing any vacant Units in the Development, the Owner must provide the City for its review and approval the Owner's written marketing and resident selection plan.

(b) The Owner shall not discriminate against any applicants for tenancy on the basis of source of income or rent payment (for example, without limitation, Temporary Assistance for Needy Families (TANF) or Section 8), and Owner shall consider a prospective Resident's previous rent history of at least one (1) year, or such other time period the Owner deems reasonable, as evidence of the prospective Resident's ability to pay the applicable Rent. The ability to pay shall be demonstrated if the prospective Resident can document that the prospective Resident's gross income is at least two (2) times the prospective rent. The Owner, in the reasonable exercise of its discretion, may waive the requirement that the prospective Resident's gross income equal at least two (2) times the prospective rent, and admit prospective Residents with lower gross incomes.

Section 2.6 Lease Provisions. Owner shall include in leases for all Units provisions which authorize Owner to immediately terminate the tenancy of any household one or more of whose members misrepresented any fact material to the household's qualification as a Very Low

Income Household or Lower Income Household, as applicable. Each lease or rental agreement shall also provide that the household is subject to annual certification in accordance with Section 3.1 below, and that, if the household's income increases above the applicable limits for a Very Low Income Household or Lower Income Household, as applicable, such household's Rent may be subject to increase, and if the household's income increases above one hundred twenty percent (120%) of Median Income, the household's tenancy may be terminated.

Section 2.7 Condominium Conversion. The Owner shall not convert Development units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Property during the Term of this Agreement.

ARTICLE 3
INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification. With respect to new Residents, the Owner will obtain, and complete, as a condition to initial occupancy and with respect to new Residents and Existing Residents, maintain on file annually thereafter, income certifications from each Resident renting any of the Units. The Owner shall make a good faith effort to verify that the income provided by an applicant or occupying household in an income certification is accurate by taking two or more of the following steps as a part of the verification process: (1) obtain a minimum of the three (3) most current pay stubs for all adults age eighteen (18) or older; (2) obtain an income tax return for the most recent tax year; (3) conduct a credit agency or similar search; (4) obtain the three (3) most current savings and checking account bank statements;(5) obtain an income verification form from the applicant's current employer; (6) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (7) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Copies of Resident income certifications shall be available to the City upon request.

Section 3.2 Annual Report to City. Owner shall submit to the City: (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by the City, a statistical report, including income and rent data for all Units, an assessment of compliance with the Resident Services Plan (including an assessment of the Resident Services Plan outcomes), an assessment of compliance with the approved Management Plan, an evaluation of the Management Agent, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the City.

Section 3.3 Additional Information. Owner shall provide any additional information reasonably requested by the City. The City shall have the right to examine and make copies of all books, records or other documents of Owner which pertain to the Development.

Section 3.4 Records. Owner shall keep and maintain on the Property, or elsewhere with the City's written consent, complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the City to inspect records, including records pertaining to income and household size of Residents, Rent charged Residents and affirmative marketing requirements. All Resident lists, applications and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of

the Owner and shall be maintained as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. The Owner shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least five (5) years.

Section 3.5 Annual Operating Budget. The Owner, at least sixty (60) days prior to the end of each of the Owner's fiscal year, shall furnish the City an Annual Operating Budget. Upon receipt by the City of the proposed Annual Operating Budget, the City shall promptly review the same and approve or disapprove it within ten (10) working days. If the Annual Operating Budget is not approved by the City, the City shall set forth in writing and notify the Owner of the City's reasons for withholding such approval. The Owner shall thereafter submit a revised Annual Operating Budget for City approval, which approval shall be granted or denied within ten (10) working days in accordance with the procedures set forth above.

Section 3.6 Approval of Use of Reserve Funds. Owner agrees to create and maintain the reserves required by the Approved Financing (as defined in the Loan Agreement) and the reserves in the amounts approved by the City as part of the Financing Plan submitted by the Developer pursuant to Section 3.11 of the Loan Agreement. Prior to the use of funds from the reserves, Owner must submit a written request to withdraw funds from the reserve account. The written request shall specify the amount requested and state how the funds will be used. The City shall approve such request within thirty (30) days of receipt of the written request for use of reserves; such request shall not be unreasonably withheld. If the City fails to approve a request within the thirty (30) days, such request shall be deemed approved.

Section 3.7 Resident Services Plan and Resident Services Budget.

(a) The City shall approve as part of the Financing Plan submitted by the Developer pursuant to Section 3.11 of the Loan Agreement a resident services budget to enable Owner to hire a resident service coordinator and resident services provider (the "Resident Services Budget"). Not less than sixty (60) days prior to the end of Owner's fiscal year, Owner shall furnish to the City a draft Resident Services Plan and Resident Services Budget. Upon receipt by the City of the proposed Resident Services Plan and Resident Services Budget, the City shall promptly review the same and approve or disapprove it within ten (10) working days. If the Resident Services Plan and/or Resident Services Budget are not approved by the City, the City shall set forth in writing and notify the Owner of the City's reasons for withholding such approval, which may include a request by the City for a change in the nature or scope of resident services or a change in service provider. The Owner shall thereafter submit a revised Resident Services Plan and/or Resident Services Budget for City approval, which approval shall be granted or denied within ten (10) working days in accordance with procedures set forth above.

(b) Prior to the disbursement of the Completion Component as defined in Section 2.1(d) of the Loan Agreement, Owner shall hire and employ an on-site resident service coordinator and contract with a resident services provider capable of implementing the approved Resident Services Plan. Owner shall submit for the City's approval the identity of any proposed resident services coordinator and resident services provider. The Owner shall also submit such additional information about the background and experience of the proposed resident services coordinator and resident services provider as is reasonably necessary for the City to determine

whether the proposed resident services coordinator and resident services provider meets the standard for a qualified resident services coordinator and resident services provider. If the proposed resident services coordinator and resident services provider, as applicable, meets the standard for a qualified resident services coordinator and resident services provider, the City shall approve the proposed resident services coordinator and resident services provider by notifying the Owner in writing. If the proposed resident services coordinator or resident services provider, as applicable, is disapproved by the City, the City shall state with reasonable specificity the basis for disapproval.

(c) If, as a result of a periodic review, the City determines, in its reasonable judgment, that the Residents of the Development are not receiving material services and/or there is a failure to achieve outcomes identified in the approved Resident Services Plan, the City shall deliver notice to Owner of its intention to, in addition to any other remedies available to the City hereunder, require the Owner to: (1) replace the resident service coordinator or resident services provider; or (2) eliminate the resident services line item as an Annual Operating Expense under Section 2.13(f)(1) of the Loan Agreement; or (3) meet in good faith to consider methods for improving the resident services being offered to Residents of the Development; (4) deliver notice to Owner requiring Owner to cause the replacement of the resident services coordinator or resident services provider with a resident services coordinator or resident services provider selected by the City.

(d) If, after the above procedure, the City requires in writing the replacement of the resident services coordinator or the resident services provider, Owner shall promptly dismiss the then resident services coordinator or resident services provider, as applicable, and shall appoint as the resident services coordinator or resident services provider, as applicable, a person or entity capable of meeting the standards for a resident services coordinator or resident services provider, as applicable, under the Resident Services Plan and approved by the City at the City's reasonable discretion.

(e) Any contract for the resident services coordinator or resident services provider, as applicable, for the Development entered into by Owner shall provide that the contract can be terminated as set forth above. Failure to remove the resident services coordinator or the resident services provider, as applicable, in accordance with the provisions of this Section 3.7 shall constitute default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.4 below.

Section 3.8 On-site Inspection. The City shall have the right to perform an on-site inspection of the Development at least one (1) time per year upon forty-eight hours (48) prior notice. The Owner agrees to cooperate in such inspection.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

Section 4.1 Residential Use. The Development shall be operated only for residential use as permanent multifamily rental housing.

Section 4.2 Taxes and Assessments. Owner shall pay all real and personal property taxes, assessments, if any, and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any line or charge from attaching to the Property; provided, however, that Owner shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Owner exercises its right to contest any tax, assessment, or charge against it, Owner, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 4.3 Municipal Services Fee. No later than April 1st of each calendar year, commencing with April 1, 2012, Borrower shall pay to the City an annual payment of Seven Hundred Thirty-Three Dollars for each Unit in the Development, to pay for costs of municipal services that will be provided to Residents of the Development.

Section 4.4 Nondiscrimination.

(a) All of the Units shall be available for occupancy on a continuous basis to members of the general public who are income eligible. Developer shall not give preference to any particular class or group of persons in renting the Units, except to the extent that the Units are required to be leased to Very Low Income Households or Lower Income Households, or pursuant to Section 4.6 below.

(b) There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(c) Notwithstanding the preceding paragraph, with respect to familial status, the preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the preceding paragraph.

(d) The provisions of this Section 4.4 shall run with the land and survive termination of this Agreement.

Section 4.5 Section 8 Certificate Holders. The Owner will accept as residents, on the same basis as all other prospective residents, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing housing program under Section 8 of the

United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective residents, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Residents.

Section 4.6 Preference to City, Agency and Inglewood Housing Authority Displacees. Owner shall give a preference in the rental of any Units to eligible households displaced by activity of the Agency, City or the Inglewood Housing Authority, as provided in relevant part in Health and Safety Code Section 33411.3. The preferences stated in this Section 4.6 apply to the rentals of Units throughout the Term.

ARTICLE 5
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities. The Owner is responsible for all management functions with respect to the Development, including without limitation the selection of residents, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City shall have no responsibility over management of the Development. The Owner shall retain a professional property management company, approved by the City in its reasonable discretion, to perform its management duties hereunder. A resident manager shall also be required. Prior to the occupancy of the Development, Owner shall submit a proposed management plan to the City for approval by the City. The City shall approve or disapprove (with written explanation for disapproval) of the proposed management plan by notifying the Owner in writing within sixty (60) days of the date of submission to the City. Owner proposes to be the professional property management company and will provide such documentation to the City for consideration.

Section 5.2 Management Agent; Periodic Reports. The Development shall at all times be managed by an experienced management agent reasonably acceptable to the City, with demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing (as approved, the "Management Agent"). The Owner shall submit for the City's approval the identity of any proposed Management Agent and on-site resident manager. The Owner shall also submit such additional information about the background, experience and financial condition of any proposed Management Agent and on-site resident manager as is reasonably necessary for the City to determine whether the proposed Management Agent or on-site resident manager meets the standard for a qualified Management Agent or on-site resident manager set forth above. If the proposed Management Agent or on-site resident manager meets the standard for a qualified Management Agent or on-site resident manager set forth above, the City shall approve the proposed Management Agent or on-site resident manager by notifying the Owner in writing. Unless the proposed Management Agent or on-site resident manager is disapproved by the City within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapproval, it shall be deemed approved.

Section 5.3 Performance Review. In addition to the reporting requirements under Section 3.2 above, the City reserves the right to conduct an annual (or more frequently, if

deemed reasonably necessary by the City) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the City to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. The Owner shall cooperate with the City in such reviews.

Section 5.4 Replacement of Management Agent or On-Site Resident Manager.

(a) If, as a result of a periodic review, the City determines, in its reasonable judgment, that the Development is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the City shall deliver notice to Owner of its intention to cause replacement of the Management Agent or on-site resident manager, including the reasons therefor. Within fifteen (15) days of receipt by Owner of such written notice, City staff and the Developer shall meet in good faith to consider methods for improving the financial and operating status of the Development. If, after a reasonable period as determined by the City (not to exceed sixty (60) days after the meeting between the City and the Developer), the City determines that the Owner is not operating and managing the Development in accordance with the material requirements and standards of this Agreement, the City may require replacement of the Management Agent or on-site resident manager.

(b) If, after the above procedure, the City requires in writing the replacement of the Management Agent or on-site resident manager, Owner shall promptly dismiss the then Management Agent or on-site resident manager within thirty (30) days notice, and shall appoint as the Management Agent or on-site resident manager a person or entity meeting the standards for a Management Agent or on-site resident manager set forth in Section 5.2 above and approved by the City pursuant to Section 5.2 above.

(c) Any contract for the operation or management of the Development entered into by Owner shall provide that the contract can be terminated as set forth above. Failure to remove the Management Agent or on-site resident manager in accordance with the provisions of this Section shall constitute default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.4 below.

Section 5.5 Approval of Management Policies. The Owner shall submit its written management policies with respect to the Development to the City for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

Section 5.6 Property Maintenance.

(a) The Owner agrees, for the entire Term of this Agreement, to maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in accordance with the following maintenance conditions:

(1) Landscaping. The Owner agrees to have landscape maintenance performed at least every other week, including replacement of dead or diseased plants with comparable plants. Owner agrees to adequately water the landscaping on the Property in compliance with City and Water District policies. No improperly maintained landscaping on the Property shall be visible from public streets and/or rights of way.

(2) Yard Area. No yard areas on the Property shall be left unmaintained, including:

(i) broken or discarded furniture, appliances and other, household equipment stored in yard areas for a period exceeding one (1) week;

(ii) packing boxes, lumber trash, dirt and other debris in areas visible from public property or neighboring properties; and

(iii) vehicles parked or stored in other than approved parking areas.

(3) Building. No buildings located on the Property may be left in an unmaintained condition so that any of the following exist:

(i) violations of state law, uniform codes, or City ordinances;

(ii) conditions that constitute an unsightly appearance that detracts from the aesthetics or value of the Property or constitutes a private or public nuisance;

(iii) broken windows;

(iv) graffiti (must be removed within seventy-two (72) hours); and

(v) conditions constituting hazards and/or inviting trespassers, or malicious mischief.

(4) Sidewalks. The Owner shall maintain, repair, and replace as necessary all private sidewalks adjacent to the Development.

(5) Private Driveway. The Owner shall maintain, repair, and replace as necessary all areas of the private driveway adjacent to the Development in accordance with the reciprocal easement agreement entered into with the adjacent property owners by the Owner, including, but not limited to the alley and adjacent park.

(b) The City places prime importance on quality maintenance to protect its investment and to ensure that all City and City-assisted affordable housing projects within the City are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Development will be acceptable to the City assuming the Owner agrees to provide all necessary improvements to assure the Development is maintained in good condition. The Owner shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

(c) In the event that the Owner breaches any of the covenants contained in this Section 5.6 and such default continues for a period of seven (7) days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building improvements, then the City, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the City shall be permitted (but is not required) to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a ten percent (10%) administrative charge, which amount shall be promptly paid by the Owner to the City upon demand.

Section 5.7 Safety Conditions.

(a) The Owner acknowledges that the City places a prime importance on the security of City assisted projects and the safety of the residents and surrounding community. The Owner agrees to implement and maintain throughout the Term the following security measures in the Development:

(1) to the extent feasible employ defensible space design principles and crime prevention measures in the operation of the Development including but not limited to maintaining adequate lighting in parking areas and pathways;

(2) use its best efforts to work with the Inglewood Sherriff's Department to implement and operate an effective neighborhood watch program and participate in the Crime Free Multi-Housing Program; and

(3) provide added security including dead-bolt locks for every entry door, and where entry doors are damaged, replace them with solid-core doors.

(b) The City shall have the right to enter on the Property and/or contact the Inglewood Sherriff's Department if it becomes aware of or is notified of any conditions that pose a danger to the peace, health, welfare or safety of the Residents and/or the surrounding community, and to perform or cause to be performed such acts as are necessary to correct the condition.

ARTICLE 6
MISCELLANEOUS

Section 6.1 Term. The provisions of this Agreement shall apply to the Property for the entire Term even if the entire Loan is paid in full prior to the end of the Term; provided, however, that the provisions of Sections 4.4 and 5.6 of this Agreement shall run with the Property and shall remain in effect in perpetuity. This Agreement shall bind any successor, heir or assign of Owner, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the City. The City makes the Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

Section 6.2 Compliance with Loan Agreement and Program Requirements. The Owner's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Agreement; (ii) all requirements imposed on projects assisted with Redevelopment Low and Moderate Income Housing Fund monies under California Health and Safety Code Section 33334.2 *et seq.*

Section 6.3 Covenants to Run With the Land. The City and Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

Section 6.4 Enforcement by the City. If Owner fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the City has notified the Owner in writing of the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure, the City shall have the right to enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Loan. The City may declare a default under the Note, accelerate the indebtedness evidenced by the Note, and proceed with foreclosure under the Deed of Trust.

(b) Action to Compel Performance or for Damages. The City may bring an action at law or in equity to compel Owner's performance of its obligations under this Agreement, and/or for damages.

(c) Remedies Provided Under Loan Agreement. The City may exercise any other remedy provided under the Loan Agreement.

Section 6.5 Rights of Third Parties to Enforce Covenants. Notwithstanding any other provisions of law, all covenants and restrictions contained herein which implement Health and Safety Code Sections 33334.3 and/or 33413(b)(4), or successor provisions, shall run with the land and shall be enforceable by the City, the City of Inglewood, and any of the parties listed in Health and Safety Code Section 33334.3(f)(7), so long as such provision or successor provision remains in effect.

Section 6.6 Listing of Property in Database. Owner hereby acknowledges and agrees that Health and Safety Code Section 33418(c) requires that the Property be listed in a database that shall be made available to the public on the internet and which will include the street address, assessor's parcel number, and other information about the Property. The Owner must disclose this requirement to all Residents and prospective Residents.

Section 6.7 Attorneys Fees and Costs. In any action brought to enforce this Agreement, the prevailing party shall be entitled to all costs and expenses of suit, including

attorneys' fees. This Section 6.7 shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

Section 6.8 Recording and Filing. The City and Owner shall cause this Agreement, and all amendments and supplements to it, to be recorded against the Property in the Official Records of the County of Los Angeles.

Section 6.9 Governing Law. This Agreement shall be governed by the laws of the State of California.

Section 6.10 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California.

Section 6.11 Notice. All notices given or certificates delivered under this Agreement shall be in writing and be deemed received on the delivery or refusal date shown on the delivery receipt, if: (i) personally delivered by a commercial service which furnishes signed receipts of delivery or (ii) mailed by certified mail, return receipt requested, postage prepaid, addressed as shown below. In addition to the delivery and mailing, if a facsimile number is provided, a facsimile shall also be transmitted. Any of the parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or communications shall be sent.

To the City:	CITY OF INGLEWOOD c/o City Manager's Office Attn: Mr. Artie Fields, City Manager One Manchester Boulevard, Ninth Floor Inglewood, California 90301
With a copy to:	Office of the City Attorney One Manchester Boulevard, Eighth Floor Inglewood, California 90301 Attn: Cal P. Saunders, Esq.
With a copy to:	Kane, Ballmer & Berkman 515 South Figueroa Street, Suite 1850 Los Angeles, California 90071 Attn: Royce Jones, Esq. & Gustavo Lamanna, Esq. Facsimile No.: (213) 625-0931
To the Owner:	Grevillea Housing, LP c/o Abode Communities 701 East Third Street, Suite 400 Los Angeles, California 90013 Attn: Ms. Robin Hughes, Chief Executive Officer Facsimile No.: (213) 225-2709

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, California 90071
Attn: Lance Bocarsly, Esq. & Nicole Deddens, Esq.
Facsimile No.: (213) 239-0410

Section 6.12 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby

Section 6.13 Reserved.

Section 6.14 Counterparts. This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

IN WITNESS WHEREOF, the City and Owner have executed this Agreement by duly authorized representatives, all on the date first written above.

"City"
CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

APPROVED AS TO FORM AND LEGALITY:
CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

[Signatures Continue on the Following Page]

"Owner"

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____
_____
_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

EXHIBIT A
PROPERTY DESCRIPTION
Legal Description

Certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

Exhibit J
to LMIHF Loan Agreement

FORM OF ASSIGNMENT OF PLANS

ASSIGNMENT OF PLANS

FOR VALUE RECEIVED, the undersigned, Grevillea Housing, L.P., a California limited partnership ("Borrower"), pursuant to that certain LMIHF Loan Agreement between Borrower and the City of Inglewood ("City") dated as of January 23, 2012 (the "Loan Agreement"), hereby assigns to the City all of Borrower's rights and interest, but not its obligations, in, under and to the following, as they relate to the Development (defined in the Loan Agreement), as of the date hereof, January 23, 2012 (the "Effective Date"):

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, "Architectural or Engineering Agreements") heretofore or hereafter entered into or prepared by any Architect, engineer or other person or entity (collectively "Architect(s)"), for or on behalf of Borrower in connection with the construction of the Development, including but not limited to that certain Agreement between Borrower and Architect, dated as of _____, between [INSERT PROFESSIONAL] and Borrower;

2. All plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively "Plans and Specifications") heretofore or hereafter prepared by any architect, engineer or other person or entity (collectively "Architect(s)"), for or on behalf of Borrower in connection with the construction of the Development; and

3. All governmental permits, approvals and entitlements (collectively "Entitlements") relating to the construction and operation of the Development heretofore or hereafter granted by the City of Inglewood or any other governmental authority having jurisdiction over the Property.

The Architectural or Engineering Agreements, Plans and Specifications and Entitlements consist of are those which Borrower has heretofore entered into, received or obtained and shall include but not be limited to those described in the Schedule of Architectural and Engineering Agreements, Plans and Specifications and Entitlements attached to this Assignment as Exhibit "B".

This Assignment of Plans ("Assignment") constitutes a present and absolute assignment to City as the Effective Date. Borrower represents and warrants to City, as of the Effective Date, that, to the actual knowledge of Borrower: (a) all Architectural or Engineering Agreements entered into by Borrower are in full force and effect and are enforceable in

accordance with their terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to said Architectural or Engineering Agreements; (b) all copies of the Architectural or Engineering Agreements and Plans and Specifications delivered to City are complete and correct copies; and (c) except in connection with any Senior Loan, Borrower has not assigned any of its rights under the Architectural and Engineering Agreements or with respect to the Plans and Specifications.

This Assignment shall be governed by the laws of the State of California, except to the extent that Federal laws preempt the laws of the State of California, and Borrower consents to the jurisdiction of any Federal or State Court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorney's fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Borrower and City.

The attached Consent, Exhibit "A" and Exhibit "B" are incorporated by reference.

DEVELOPER

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By:_____
Robin Hughes
Chief Executive Officer

Executed by Borrower as of January 23, 2012.

CITY

CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

APPROVED AS TO FORM AND LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

CONSENT

The undersigned [INSERT NAME OF PROFESSIONAL], ("Architect") hereby consents to the foregoing Assignment to which this Consent ("Consent") is part, and acknowledges that there presently exists no unpaid claims due to the Architect except as disclosed in writing to City, arising out of the preparation and delivery of the Plans and Specifications to Borrower and/or the performance of the Architect's obligations under the Assignment.

Architect agrees that if City shall become the owner of said Property and elects to undertake or the construction of the Development on any portion of the Property, in accordance with the Plans and Specifications, and gives Architect written notice of such election; THEN, so long as Architect has received, receives or continues to receive the compensation called for under the Agreements, City may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Agreements for the benefit and account of City in the same manner as if performed for the benefit or account of Borrower in the absence of the Assignment.

Architect warrants and represents that they have no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Agreements, except for an assignment to **[INSERT NAME OF BANK, ETC.]**. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

Executed on _____.

[ARCHITECT'S SIGNATURE BLOCK]

By: _____

Architect's Address:

City's Address:
City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attention: City Administrator

EXHIBIT A
PROPERTY DESCRIPTION

Exhibit A to Assignment of Plans dated as of January 23, 2012 between Grevillea Housing, L.P., as "Borrower", and the City of Inglewood, as "City".

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
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TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

EXHIBIT B
LIST OF ARCHITECTURAL OR ENGINEERING AGREEMENTS, PLANS AND SPECIFICATIONS AND ENTITLEMENTS

1. [INSERT] Standard Form of Agreement_____, dated as of _____

[Others to be added]

Exhibit K
to LMIHF Loan Agreement

FORM OF RESIDUAL RECEIPTS REPORT

CALCULATION OF RESIDUAL RECEIPTS
ASSET MANAGEMENT FRAMEWORK AND ONGOING MONITORING

Date:_____

Project:_____
Year Ending:_____

		Prior Year	Reporting Year
I.	Project Year Revenue	$_____	$_____
II.	Operating Expenses and Reserves		
	A. Operating Expenses		
	Administrative	$_____	$_____
	Utilities	$_____	$_____
	Operating and Maintenance	$_____	$_____
	Payroll/Payroll Taxes	$_____	$_____
	Taxes and Insurance	$_____	$_____
	Marketing and Lease-Up	$_____	$_____
	Management Fee	$_____	$_____
	Total Operating Expenses	$_____	$_____
	B. Reserves		
	Operating Reserves	$_____	$_____
	Replacement Reserves	$_____	$_____
	Other_____	$_____	$_____
	Total Reserves	$_____	$_____
	Total Operating Expenses and Reserves (A-B)	$_____	$_____
III.	Debt Service	$_____	$_____
IV.	Partnership Management Fee	$_____	$_____
V.	Deferred Developer Fee	$_____	$_____
VI.	Residual Receipts	$_____	$_____
VII.	City's Share of Residual Receipts @_____%	$_____	$_____

CITY'S ORIGINAL

AGREEMENT No. R 09 - 25

THIS AGREEMENT is made and entered into this 28th day of April, 2009, by and between the INGLEWOOD REDEVELOPMENT AGENCY, hereinafter referred to as "AGENCY" and INTEGRA REALTY RESOURCES, hereinafter referred to as "Contractor" with its principal place of business at 20720 Ventura Boulevard, Suite 240, Woodland Hills, California 91364.

RECITALS

WHEREAS, AGENCY desires to obtain the services of an experienced and qualified firm to provide certain Appraisal services; and

WHEREAS, AGENCY, acting on its own behalf or on behalf of various other entities, pursuant to cooperation agreements, will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, Contractor represents itself: (1) as a qualified real estate appraisal firm capable of rendering the required services; and (2) as being familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the AGENCY as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of AGENCY participation in assisting the private or public development of the property.

Contractor agrees to perform the following services as may be directed in writing from time to time by the AGENCY Executive Director or his assignee.

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(A) INVESTIGATION AND RESEARCH

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon are recognized by the courts in eminent domain proceedings and to advise the AGENCY, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised, and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) REPORT

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the AGENCY to proceed with the appraisal of the Parcel.

2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the AGENCY to proceed with the appraisal of the Parcel.

3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.

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4. The report shall, among other things, contain the following:

a. The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.

b. A report of any and all circumstances found by the Contractor to exist with respect to unlawful condition, use, or occupancy of the property being appraised.

c. The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

d. The assessed value of the property and the amount of the current real estate tax levy.

e. A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

f. A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

g. In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation is made for severance damages, full statement of the reasons for such allocation should be made.

h. A statement of the rental value of the property and a history of the rental experience, if any.

i. A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds, and public libraries to the extent such things are relevant to value.

j. A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

k. A statement of all factors taken into consideration by Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

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(C) REVISIONS AND CORRECTIONS

Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the AGENCY.

(D) INFORMAL UPDATE OPINION

If requested by AGENCY in writing signed by the AGENCY Executive Director or his assignee specifying a maximum number of hours allowable, Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

(E) VERIFICATION LETTER

If requested by AGENCY in writing, signed by the AGENCY Executive Director or his assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reasons which indicate whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by Agency's legal counsel, Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update

of the original appraisal report and such additional details as may be necessary for courtroom use.

(G) EXPERT WITNESS

In the event the testimony of Contractor is required in any legal proceedings, in connection with AGENCY's acquisition or, in any acquisition by another AGENCY, with assistance of the AGENCY, of any property herein referred to, the Contractor agrees to appear as a witness on behalf of AGENCY. Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by AGENCY or AGENCY's legal counsel. Contractor shall keep such personal records of all details with respect to the appraisals as will enable Contractor to appear as such witness.

(H) VALUE OF LEASEHOLD INTEREST

If requested by AGENCY in writing, signed by the AGENCY Executive Director or his assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the AGENCY may, in writing, direct, and will furnish and deliver the appraisal report to the AGENCY as soon as completed.

ARTICLE 2 - DUTIES OF AGENCY

AGENCY agrees to provide Contractor with such information as is possessed by the AGENCY and is normally supplied to Contractors performing appraisal services.

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ARTICLE 3 - COMPENSATION

All invoices submitted by Contractor shall contain: (1) date of invoice; (2) sequential invoice number; (3) AGENCY agreement number; (4) description of services billed under this invoice; (5) total agreement amount; (6) total amount for services, itemization of all reimbursable expenses included in the invoice; (7) total billed (by services and reimbursable expenses) to date; (8) total amount remaining on Agreement. Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of AGENCY and shall certify, on each invoice, that it is entitled to receive the amount invoiced. The parties agree that Contractor shall be paid the following hourly rates:

PERSONNEL	HOURLY RATE	COURT RATE
John G. Ellis	$300.00	$400.00
Beth B. Finestone	$300.00	$350.00
Patrick R. Kellogg	$225.00	$275.00
Sr. Appraisers	$200.00 – $220.00	N/A
Appraisers	$150.00 – $195.00	N/A
Associates	$90.00 – $145.00	N/A
Staff	$70.00	N/A

Provided that Contractor has the prior written approval of the AGENCY Executive Director, his designee or AGENCY's counsel, the parties hereto agree that Contractor shall be reimbursed for the actual expense to prepare exhibits requested by AGENCY's counsel.

The parties hereto agree that in no event shall payment to Contractor pursuant to this Agreement exceed thirty thousand dollars ($30,000.00).

Contractor agrees that, should work be performed outside the scope of services without the prior written approval of AGENCY, such work shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim against the AGENCY for reimbursement.

AGENCY reserves the right to delete specific properties from the appraisal by notifying Contractor in writing. Upon receipt of such notice, Contractor shall immediately cease work on the specified properties to be deleted from the appraisal

report. Contractor shall be paid for work completed prior to notification to cease work on those specified properties. AGENCY shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

ARTICLE 4 - TERM

The term of the Agreement shall be for a period of two (2) year from the date of execution of this Agreement by AGENCY.

ARTICLE 5 - TERMINATION

AGENCY may, in its sole and absolute discretion and without cause, terminate this Agreement immediately upon written notice to Contractor. Contractor may terminate this Agreement upon fifteen (15) days written notice to AGENCY. In the event of termination of this Agreement, Contractor shall deliver to AGENCY all documents, files, records and copies thereof pertaining to any work which may be in progress and AGENCY shall pay to Contractor an amount which equitably reflects the proportion of work completed by Contractor on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 3 of this Agreement. Contractor shall also, at its expense, provide AGENCY all Contractor documents, files, records and copies thereof which the AGENCY uses to prepare its reports and findings shall become the property of the AGENCY. The AGENCY agrees to hold harmless and indemnify the Contractor against all damages, claims and losses arising out of any use of said documents, files, records and copies thereof.

ARTICLE 6 - PERSONNEL

The parties hereto agree that, unless otherwise specifically designated or agreed to by AGENCY, Beth B. Finestone, shall be personally responsible for and supervise all matters assigned to and handled by Contractor. AGENCY shall have the right to designate or reject the assignment of other employees or sub-contractors associated with Contractor.

ARTICLE 7 - NO AGENCY RELATIONSHIP

No agency relationship between AGENCY and Contractor is intended or created by this Agreement. Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the AGENCY, it being expressly understood that the Contractor is at all times a wholly independent Contractor.

ARTICLE 8 - INSURANCE

Consultant shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant.

Minimum Scope of Coverage

Coverage shall be at least as broad as

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit

shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors & Omissions: **$1,000,000** per claim.

(a) The "Retro Date" must be shown and must be made before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the AGENCY. At the option of the AGENCY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relate to the INGLEWOOD REDEVELOPMENT AGENCY and their officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the AGENCY guaranteeing payment of losses and related investigations, claims administration and defense expenses.

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Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The INGLEWOOD REDEVELOPMENT AGENCY, and their officers, officials, employees and volunteers are to be covered as insureds with respect to: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.

2. For any claims related to this project, the Contractor's insurance coverage shall be primary as respects the AGENCY, INGLEWOOD REDEVELOPMENT AGENCY, and their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the AGENCY, INGLEWOOD REDEVELOPMENT AGENCY, their officers, officials, employees or volunteers shall be non-contributing and in excess of the Contractor's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the AGENCY.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782(b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Contractor shall furnish the INGLEWOOD REDEVELOPMENT AGENCY with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the AGENCY or on other than the AGENCY's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by

the AGENCY's Counsel before work commences. The AGENCY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The Contractor holds harmless the AGENCY, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 9 - INDEMNIFICATION

Contractor shall indemnify and hold harmless the AGENCY and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the AGENCY.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, Contractor, upon notice from AGENCY, shall defend Indemnitees at contractor's expense by counsel acceptable to AGENCY, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 10 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Contractor under this Agreement are confidential and Contractor agrees that they shall not be made available to any individual or organization without prior written approval of AGENCY.

ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

AGENCY
Yvonne Horton
Agency Secretary
Office of the AGENCY Clerk
One Manchester Boulevard
Inglewood, California 90301

Contractor
INTEGRA REALTY RESOURCES
20720 Ventura Boulevard, Suite 240
Woodland Hills, California 91364-6264
Attn.: Beth B. Finestone, Dir. Valuation

with a copy to:
Jesse Lewis
Community Development Director
One Manchester Boulevard
Inglewood, California 90301

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of Contractor are material considerations for this Agreement. AGENCY has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Contractor under this Agreement. In recognition of that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Contractor's duties or obligations under this Agreement without the prior written consent of the AGENCY Executive Director or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling AGENCY to any and all remedies at law or

in equity, including summary termination of this Agreement. Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of AGENCY.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Contractor and AGENCY prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by AGENCY of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement.

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ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 – MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to

its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, the Inglewood Redevelopment Agency and Contractor have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT F. DORN
Agency Chairman

INTEGRA REALTY RESOURCES

BETH B. FINESTONE
Director of Valuation

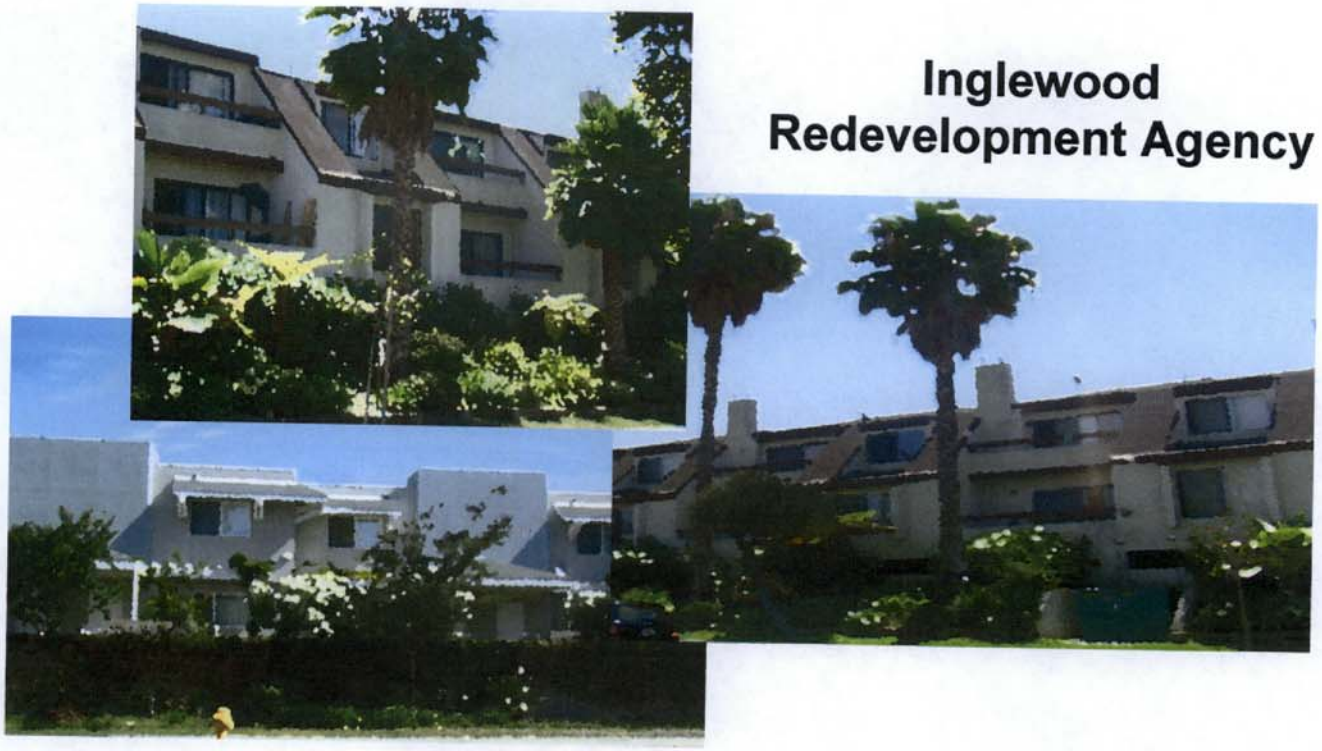
ATTEST:

YVONNE HORTON
Agency Secretary

APPROVED AS TO FORM:

Cal Saunders
Agency Counsel

N:\AGREEMENTS\IRA\Integra-Agency.doc



Inglewood Redevelopment Agency

Request For Qualifications For Appraisal Services

RFQ DEADLINE: April 14, 2008

One Manchester Boulevard, City Hall, Ste. 450
Inglewood, California 90301
(310) 412 - 5290

REQUEST FOR QUALIFICATIONS

APPRAISERS

I. INTRODUCTION

The Inglewood Redevelopment Agency invites experienced appraisers to submit their qualifications for providing approval services for Agency developments within the redevelopment project areas. A project area map is attached. Minority and Women Owned Business Enterprises are encouraged to participate.

II. THE CITY

The City of Inglewood encompasses 8.2 square miles and is home to approximately 119,000 residents. A network of freeways (the San Diego, Santa Monica, Harbor and Century) provides easy access between Inglewood and all major commercial/office centers in the greater Los Angeles area. There are six redevelopment project areas located throughout the community. These projects encompass approximately 1,200 acres and provide for the development of residential, commercial and industrial projects and public improvements. The development projects serve to remove blight, stimulate economic development and create employment opportunities for the benefit of the community. This is accomplished through the use of a variety of consultant services including, but not limited to, economic analysis, acquisition, appraisal, relocation and demolition. The Agency's activities have expanded in recent months; therefore, it is seeking qualified firms to assist us in accomplishing the redevelopment goals.

III. SCOPE OF SERVICES

The Consultant shall provide economic/real estate analysis services, which shall include, but not be limited to, the following:

- Prepare Acquisition Appraisal Reports in conformance with the Uniform Standards of Professional Appraisal Practice.

- Review appraisals prepared for the Agency and provide an opinion as to the validity of the report, including an opinion of the methodology used by the appraiser.

- Informal Update Opinions shall be prepared after thorough review of previous investigations and findings in order to adjust opinions to reflect any changes.

- Condemnation Appraisal reports should conform to the practices and principles of evaluating property for condemnation value in eminent domain proceedings.

- Expert Witness services will be provided in the event that the appraisers' testimony is required in legal proceedings. The appraiser shall participate in pre-tail conferences, field work and prepare trial exhibits as necessary.

IV. SUBMITTAL PROCESS

To be considered, respondents must submit the following items for Agency review:

- A brief resume of your appraisal preparation experience (Include references).
- A fee schedule
- List of services your company offers.
- A sample narrative appraisal report.
- A list of public agency clients.
- Expert witness/court testimony experience.
- Statement of Business Ownership.

Consultants are invited to submit their qualifications to the following address by 5:30 P.M. on **April 14, 2008**

Tracie Oaks
Redevelopment Specialist
Inglewood Redevelopment Agency
One Manchester Boulevard, Suite 450
Inglewood, California 90301

For information, please contact Tracie Oaks, Redevelopment Specialist at (310) 412-5315 or Sylvia Baker, Senior Redevelopment Specialist at (310) 412-5290.

Requset for Proposal - Appraisal Services **Attachment "3"**

Ranking Sheet

	Consultant	Comments	QUALIFICATIONS	REFERENCES	TEAM EXPERIENCE	PROPOSAL COMPLETENESS	TOTAL
			5 points	5 points	5 points	5 points	20 points
1	Integra Realty Resources	Complete proposal, high level of experience and qualifications	5	5	5	5	20
2	Norris Realty Advisors	Limited experience working with public agencies	4	2	3	3	12
3	Hampstead Appraisal Co.	Incomplete proposal package, limited experience working with public agencies	3	2	3	2	10
4	Goeppner and Associates	High level of experience and qualifications	5	4	5	4	18
5	DMD Appraisal	Incomplete proposal package	3	4	2	2	11

Veronica Perez

From: Veronica Perez
Sent: Thursday, April 30, 2009 8:44 AM
To: Tracie Oaks
Subject: RE: R-09-23, R-09-24, R-09-25 Insurance

Thank you for the information; I will contact the 9th floor.

Veronica Perez
City Clerk's Office
Administrative Secretary
Phone: 310-412-5280
Fax: 310-412-5533

From: Tracie Oaks
Sent: Thursday, April 30, 2009 8:04 AM
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Cc: Marla Stevens
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R-09-25

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: April 21, 2009

TO: Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Approval of Agreement with Integra Realty Resources for Real Property Appraisal Services

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency"), approve the attached two-year agreement for real property appraisal services with Integra Realty Resources in the amount of $30,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Integra Realty Resources conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

On March 24, 2008, staff issued a Request for Qualifications (RFQ) for Appraisal Services. The RFQ was distributed to fourteen (14) qualified appraisal firms. Four (4) appraisal firms submitted responses to the RFQ. The responding firms were Goeppner and Associates; Integra Realty Resources; Norris Realty Advisors; and Hampstead Appraisal Company. The firms were invited to meet with staff to discuss their background and experience. Staff evaluated the consultant's based on a rating sheet which ranked the consultants based upon their qualifications, technical expertise, and previous projects and conducting interviews. The two (2) appraisal firms selected as finalists were Goeppner and Associates and Integra Realty Resources.

Integra Realty Resources has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. Integra Realty Resources is also experienced in specialty property types including auto dealerships, restaurants, bowling alleys, gas stations, churches, food processing facilities and parking structures. In addition, the firm is fully abreast of the required state laws

R-4

relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

- **Statement of Options**
  The Inglewood Redevelopment Agency has the following options:

  A) Approve the consulting contract for appraisal services with Integra Realty Resources. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and will advise the Agency, in writing, of its opinion of the fair market value of each property.

  B) Do not approve of the consulting contract for appraisal services with Integra Realty Resources. Disapproving the contract with Integra Realty Resources could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals conducted by Agency staff.

  C) Re-issue a Request for Qualifications (RFQ) for appraisal services. The entire process, starting with the issuance of an RFQ to finally selecting an appraiser can potentially take four (4) to five (5) months.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 160-030-3040-4830 ($30,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval of the Agency Members in order to obtain appraisal services on an as needed basis.

4. **Previous Council and Agency Action:**
   No previous Agency action.

5. **Substantiation of Recommendations:**
   Integra Realty Resources conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value will advise the Agency, in writing, of its opinion of the fair market value of each. The firm has demonstrated its expertise and ability to perform a broad range of real estate

services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. Integra Realty Resources is also experienced in specialty property types including auto dealerships, restaurants, bowling alleys, gas stations, churches, food processing facilities, and parking structures. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

6. **Description of any Attachments:**
Attachment 1: Agreement between Integra Realty Resources and the Agency.
Attachment 2: RFQ
Attachment 3: Ranking Sheet

7. **Legal Review Verification:** _____
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** _____
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

Tracy Oaks

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Veronica Perez

From: Veronica Perez
Sent: Thursday, May 07, 2009 11:03 AM
To: Tracie Oaks
Subject: RE: R-09-23, R-09-24, R-09-25 Insurance

Good morning,

Legal is requesting additional insurance documents (please view attachement)

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City Clerk's Office
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Fax: 310-412-5533

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Thank you

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City of Inglewood
City Attorney's Office Integra Realty Resources

Insurance Requirements

REQUIRED INSURANCE DOCUMENTATION

a. **Certificate of Insurance**

The contractor must provide you with a Certificate of Insurance evidencing the required insurance set forth above. The Certificate Holder must be the "City of Inglewood," and the Certificate Holder's address must be the address of your Department.

b. **Endorsements**

In addition to the Certificate of Insurance, the contractor must provide the following endorsements:

1) **Additional insured endorsement to the general liability policy.** The "City of Inglewood, its officials, employees and agents" must be endorsed to the contractor's general liability policy as additional insureds on an endorsement equivalent to ISO forms CG 20 10 11 85 or CG 20 26 11 85.

2) **Cancellation notice endorsements**. Each policy must be endorsed to provide that the policy shall not be cancelled or nonrenewed by either party or reduced in coverage or limits (except by paid claims) unless the insurer has provided the City with thirty (30) days prior written notice of cancellation (ten (10) days for cancellation due to nonpayment of premium is acceptable).

3) **Primary and noncontributory coverage endorsements**. The general liability and, if required, professional liability policies must be endorsed to provide that each policy shall apply on a primary and noncontributing basis in relation to any insurance or self-insurance, primary or excess, maintained by or available to the City or its officials, employees and agents.

Still Need Hard Copy of #1 & 3

Note: Name on Contract is not the same as Name on Cert. of Insurance.

Veronica Perez

From: Veronica Perez
Sent: Wednesday, May 13, 2009 4:14 PM
To: Tracie Oaks
Subject: RE: R-09-23, R-09-24, R-09-25 Insurance

I will forward the insurance documents to legal for approval. Linda from Goeppner & Associates called requesting detail information regarding insurance requested by legal. Her direct number is 949-497-1272, she wanted my fax number or the legal departments phone number. In the future please do not give them my direct number.

Thank you

Veronica Perez
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Administrative Secretary
Phone: 310-412-5280
Fax: 310-412-5533

From: Tracie Oaks
Sent: Wednesday, May 13, 2009 8:53 AM
To: Veronica Perez
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Veronica,

Please review the attached insurance document for Integra.

Thanks.

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4) Errors + Omissions

5) Auto

6) Workers Comp.

Still Need: #1, 3, 4, 5, 6

Hard Copy re: #1 + 3

CITY'S ORIGINAL

AGREEMENT No.: R-09-23

THIS AGREEMENT is made and entered into this 21th day of April, 2009, by and between the INGLEWOOD REDEVELOPMENT AGENCY, hereinafter referred to as the "Inglewood Redevelopment Agency" and LIDGARD AND ASSOCIATES, INC., hereinafter referred to as "Contractor" with its principal place of business at 2808 E. Katella Avenue, Suite 107, Orange, California 92867.

RECITALS

WHEREAS, Inglewood Redevelopment Agency desires to obtain the services of an experienced and qualified firm to provide certain Appraisal services; and

WHEREAS, Inglewood Redevelopment Agency, acting on its own behalf or on behalf of various other entities, pursuant to cooperation agreements, will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, Contractor represents itself as a qualified real estate appraisal firm capable of rendering the required services; and

WHEREAS, Contractor represents that it is familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE 1 - DEFINITION OF "PARCEL"

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the Inglewood Redevelopment Agency as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of Inglewood Redevelopment Agency participation in assisting the private or public development of the property.

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ARTICLE 2 - SCOPE OF SERVICES

Contractor agrees to perform the following services as may be directed in writing from time to time by the City Administrative Officer or his assignee.

(A) INVESTIGATION AND RESEARCH

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon or thereunto belonging which are recognized by the courts in eminent domain proceedings and to advise the Inglewood Redevelopment Agency, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised, and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) REPORT

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the Inglewood Redevelopment Agency to proceed with the appraisal of the Parcel.

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2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the Inglewood Redevelopment Agency to proceed with the appraisal of the Parcel.

3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.

4. The report shall, among other things, contain the following:

   a. The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.

   b. A report of any and all circumstances found by the Contractor to exist with respect to unlawful condition, use, or occupancy of the property being appraised.

   c. The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

   d. The assessed value of the property and the amount of the current real estate tax levy.

   e. A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the

Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

f. A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

g. In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation is made for severance damages, full statement of the reasons for such allocation should be made.

h. A statement of the rental value of the property and a history of the rental experience, if any.

i. A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a

statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds, and public libraries o the extent such things are relevant to value.

j. A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

k. A statement of all factors taken into consideration by Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

(C) REVISIONS AND CORRECTIONS

Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the Inglewood Redevelopment Agency.

(D) INFORMAL UPDATE OPINION

If requested by Inglewood Redevelopment Agency in writing signed by the City Administrative Officer or his assignee specifying a maximum number of hours allowable, Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

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(E) VERIFICATION LETTER

If requested by Inglewood Redevelopment Agency in writing, signed by the City Administrative Officer or his assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reason which indicates whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by Inglewood Redevelopment Agency's legal counsel, Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update of the original appraisal report and such additional details as may be necessary for courtroom use.

(G) EXPERT WITNESS

In the event the testimony of Contractor is required in any legal proceedings, in connection with Inglewood Redevelopment Agency's acquisition or, in any acquisition by another City, with assistance of the Inglewood Redevelopment Agency, of any property herein referred to, the Contractor agrees to appear as witness on behalf of Inglewood Redevelopment Agency. Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by Inglewood Redevelopment Agency or Inglewood Redevelopment Agency's legal counsel. Contractor shall keep such personal records of all details with respect to the appraisals as will enable Contractor to appear as such witness.

(H) VALUE OF LEASEHOLD INTEREST

If requested by Inglewood Redevelopment Agency in writing, signed by the City Administrative Officer or his assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the Inglewood Redevelopment Agency may, in writing, direct, and will furnish and deliver the appraisal report to the Inglewood Redevelopment Agency as soon as completed.

ARTICLE 3 - DUTIES OF CITY

Inglewood Redevelopment Agency agrees to provide Contractor with such information as is possessed by the Inglewood Redevelopment Agency and is normally supplied to Contractors performing appraisal services.

ARTICLE 4 - COMPENSATION

Inglewood Redevelopment Agency agrees to pay Contractor for its services faithfully rendered hereunder in accordance with the following schedule:

For services rendered pursuant to Article 2 (A), (B), (C), (D), (F), (G) or (H), Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "A".

For services provided pursuant to Article 2(E), Contractor shall be compensated per Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "B".

For exhibits prepared by Contractor pursuant to the request of Inglewood Redevelopment Agency's attorney, Contractor shall be reimbursed for his actual expense.

No compensation shall be paid to Contractor for any services performed unless they are performed pursuant to prior written authorization signed by the City Administrative Officer, his assignee, or Inglewood Redevelopment Agency's attorney as provided above.

No compensation shall be paid pursuant to this Agreement for work performed in relation to any parcel or parcels other than those specified in a written request from the City Administrative Officer or his assignee.

Inglewood Redevelopment Agency reserves the right to delete specific properties from the appraisal by notifying Contractor in writing. Upon receipt of such notice, Contractor shall immediately cease work on the specified properties to be deleted from the appraisal report. Contractor shall be paid for work completed prior to notification to cease work on those specified properties. Inglewood Redevelopment Agency shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

Contractor shall invoice Inglewood Redevelopment Agency in the form and number of copies requested by Inglewood Redevelopment Agency for the amount of any compensation that may become payable to Contractor pursuant to this Agreement.

In no event shall the total amount payable pursuant to this Agreement exceed $60,000 (Sixty Thousand dollars). Contractor shall invoice Inglewood Redevelopment Agency in the form and number of copies requested by Inglewood Redevelopment Agency for the amount of any compensation that may become payable to Contractor pursuant to this Agreement.

Payment shall be made as soon as practicable in the ordinary course of Inglewood Redevelopment Agency's business after Inglewood Redevelopment Agency has approved the invoices for payment.

Each invoice shall specify the service rendered, classification of the service in terms of the categories under Article 2 hereof, show the time spent, if appropriate, and the rate charged.

ARTICLE 5 - TERM

The terms of the Agreement shall be for a period of two (2) years from the date of execution of this Agreement.

ARTICLE 6 - TERMINATION

This Agreement shall terminate at Inglewood Redevelopment Agency's option; provided that the Inglewood Redevelopment Agency shall give Contractor fifteen (15) day written notice of such termination. In the event of termination by Inglewood Redevelopment Agency, Contractor shall deliver to Inglewood Redevelopment Agency all documents, files and records pertaining to any work which may be in progress and Inglewood Redevelopment Agency shall pay to Contractor an amount which equitably reflects the proportion of work completed by Contractor on each assignment, provided, that in no event shall the compensation paid pursuant to this paragraph exceed that which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

The following personnel shall be responsible for services to be performed by Contractor and no other personnel shall perform services enumerated except normal support and research services without approval of the Executive Director or his designee: Scott A. Lidgard

ARTICLE 8 - NO CITY RELATIONSHIP

No Agency relationship between Inglewood Redevelopment Agency and Contractor is intended or created by this Agreement. Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Inglewood Redevelopment Agency, it being expressly understood that the Contractor is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Service Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Errors and Omissions Liability insurance appropriate to the contractor's profession.

Minimum Limits of Insurance

Contractor shall maintain these policies and shall cause all parties supplying services, labor, or materials to maintain the following insurance in amounts not less than those specified below:

1. General Liability: (Including operations, products and completed operations, as applicable.)

   $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the

general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Errors and Omissions Liability: $1,000,000 per claim.

(a) Any "Retro Date" must be shown, and must be before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Inglewood Redevelopment Agency's counsel for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood's City Attorney's Office. At the option of the Inglewood Redevelopment Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the Inglewood Redevelopment Agency, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the Inglewood City Attorney's office guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policy are to contain, or be endorsed to contain, the following provisions:

1. The Inglewood Redevelopment Agency, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Inglewood Redevelopment Agency, it officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Inglewood Redevelopment Agency, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Inglewood Redevelopment Agency.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

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Verification of Coverage

Contractor shall furnish the Inglewood Redevelopment Agency with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Inglewood Redevelopment Agency or on other than the Inglewood Redevelopment Agency's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney's Office before work commences. The Inglewood Redevelopment Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The Contractor holds harmless the Inglewood Redevelopment Agency, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 10 - INDEMNIFICATION

Contractor shall indemnify and hold harmless the Inglewood Redevelopment Agency and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Inglewood Redevelopment Agency.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, Contractor, upon notice from Inglewood Redevelopment Agency, shall defend Indemnitees at contractor's expense by counsel acceptable to

Inglewood Redevelopment Agency, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Contractor under this Agreement are confidential and Contractor agrees that they shall not be made available to any individual or organization without prior written approval of Inglewood Redevelopment Agency.

ARTICLE 12 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

Inglewood Redevelopment Agency
Yvonne Horton
Agency Secretary
Office of the City Clerk
One Manchester Boulevard
Inglewood, California 90301

with a copy to:

Jesse Lewis
Community Development Director
One Manchester Boulevard
Inglewood, California 90301

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Contractor

Scott A. Lidgard

President

Lidgard and Associates, Inc.

2808 E. Katella Avenue

Orange, California 92867

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of Contractor are material considerations for this Agreement. Inglewood Redevelopment Agency has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Contractor under this Agreement. In recognition of that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Contractor's duties or obligations under this Agreement without the prior written consent of the Executive Director or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling Inglewood Redevelopment Agency to any and all remedies at law or in equity, including summary termination of this Agreement. Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of Inglewood Redevelopment Agency.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including Exhibits "A" and "B" is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Contractor and Inglewood Redevelopment Agency prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Inglewood Redevelopment Agency of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

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ARTICLE 19 - MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, Inglewood Redevelopment Agency and Contractor have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT F. DORN
Chairman

LIDGARD AND ASSOC., INC.

SCOTT A. LIDGARD
President

ATTEST:

YVONNE HORTON
Secretary

APPROVED AS TO FORM:

Cal P. Saunders
Agency Counsel

Exhibit "A"

Rate schedule for services rendered pursuant to Article 2 (A), (B), (C), (D), (F) or (H):

Appraiser ..... $175.00 per hour

Rate schedule for services rendered pursuant to Article 2 (G)

Appraiser ..... Bulk amount for court related work:
..... $375 per hour

..... Per diem for court related work:
..... $1,500 per half day

The above referred hourly rates will be valid for a time period not to exceed two (2) years from the date of this Agreement. After that time, rates shall be changed in accordance at that time.

Exhibit "B"

Rate Schedule for services rendered pursuant to paragraph 2(E):

$175 per hour

Exhibit "A"

Rate schedule for services rendered pursuant to Article 2 (A), (B), (C), (D), (F) or (H):

Appraiser.....$175.00 per hour

Rate schedule for services rendered pursuant to Article 2 (G)

Appraiser.....Bulk amount for court related work:
.....$375 per hour

.....Per diem for court related work:
.....$1,500 per half day

The above referred hourly rates will be valid for a time period not to exceed two (2) years from the date of this Agreement. After that time, rates shall be changed in accordance at that time.

Exhibit "B"

Rate Schedule for services rendered pursuant to paragraph 2(E):

$175 per hour

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2009 APR 29 PM 4:33

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/4/2009

PRODUCER (714)414-1167 FAX: (714)414-1195
Commercial Management Insurance Services
3911 E. La Palma
Suite J
Anaheim CA 92807

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Lidgard & Associates Inc.
2592 N Santiago Blvd
Orange CA 92867

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Continental Casualty	
INSURER B: Continental Insurance Co.	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	B3011008382	3/4/2009	3/4/2010	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
						MED EXP (Any one person)	$ 10,000
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 2,000,000
						PRODUCTS - COMP/OP AGG	$ 2,000,000
B		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	B3011008429	3/4/2009	3/4/2010	COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$ 1,000,000
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
A		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE X RETENTION $ 10,000	B3011008477	3/4/2009	3/4/2010	EACH OCCURRENCE	$ 3,000,000
						AGGREGATE	$ 3,000,000
							$
							$
							$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC311008527	3/4/2009	3/4/2010	WC STATU-TORY LIMITS / OTH-ER	
						E.L. EACH ACCIDENT	$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
		OTHER					

OK CPS

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED WITH RESPECTS TO GENERAL LIABLITY AS PER THE ATTACHED SB-146932-B
*30 DAY NOTICE OF CANCELLATION EXCEPT 10 DAYS FOR NON PAYMENT OF PREMIUM

CERTIFICATE HOLDER

sbaker@cityofinglewood.org
CITY OF INGLEWOOD REDEVELOPMENT AGENCY
SYLVIA BAKER
1 MANCHESTER BLVD 5TH FLOOR
STE 550
INGLEWOOD, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Michael Wakely/PHYLL

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OK CPS

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-CONTRACTORS BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Coverage Part.

1. ADDITIONAL INSURED – BLANKET VENDORS

WHO IS AN INSURED is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:

   a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

   b. Any express warranty unauthorized by you;

   c. Any physical or chemical change in the product made intentionally by the vendor;

   d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

   e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

   f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

   g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

   h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omission or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

      (1) The exceptions contained in Subparagraphs **d.** or **f.**; or

      (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

3. This provision **2.** does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.

4. This provision **2.** does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

2. MISCELLANEOUS ADDITIONAL INSUREDS

WHO IS AN INSURED is amended to include as an insured any person or organization (called additional insured) described in paragraphs **3.a.** through **3.h.** below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and

2. Executed prior to the "bodily injury," "property damage" or "personal and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and

coverage provided to such additional insureds is limited as provided herein:

a. **Additional Insured – Your Work**

That person or organization for whom you do work is an additional insured solely for liability due to your negligence specifically resulting from your work for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.

The insurance provided to the additional insured is limited as follows:

(1) The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.

(2) The coverage provided to the additional insured by this endorsement and paragraph **F.9.** of the definition of "insured contract" under **Liability and Medical Expenses Definitions** do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.

(3) The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failure to render any professional services.

b. **State or Political Subdivisions**

A state or political subdivision subject to the following provisions:

(1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

(a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

c. **Controlling Interest**

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

d. **Managers or Lessors of Premises**

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

e. **Mortgagee, Assignee or Receiver**

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

f. **Owners/Other Interests – Land is Leased**

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

g. **Co-owner of Insured Premises**

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

h. **Lessor of Equipment**

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

(1) To any "occurrence" which takes place after the equipment lease expires; or

(2) To "bodily injury," "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs **a.** through **h.** above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

3. The following is added **to Paragraph H.** of the **BUSINESSOWNERS COMMON POLICY CONDITIONS:**

H. Other Insurance

4. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

CERTIFICATE OF INSURANCE

Producer:

LIABILITY INSURANCE ADMINISTRATORS
P.O. Box 1319
Santa Barbara, CA 93102-1319

Issue Date: 04/05/2008
This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policy below.

Insured: 152163
LIDGARD AND ASSOCIATES, INC.
2808 E. Katella Ave., #107
Orange, CA 92867

Fax Number 714-633-8449

COMPANY AFFORDING COVERAGE

Liberty Insurance Underwriters, Inc.

Authorized Representative

This is to certify that the policy of insurance listed below has been issued to the Insured named above for the policy period indicated. Notwithstanding any requirement, term of condition of any contract or other document with respect to which this Certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Limits shown may have been reduced by paid claims.

TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS	
Professional Liability	LIU007385-006	04/02/2008	04/02/2009	General Aggregate Each Claim	$ 2,000,000 $ 1,000,000

Description of Operations/Locations/Special Items:
REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY INSURANCE EVIDENCE OF INSURANCE

Certificate Holder:
City of Inglewood Redevelopment Agency
Attn: Sylvia Baker
1 Manchester Blvd, 5th Floor Suite 550
Inglewood, CA 90301

Cancellation:
Should the above described policy be cancelled before the expiration date thereof, the issuing Company will endeavor to mail 30 days notice, except 10 days notice for nonpayment of premium, to the certificate holder named to the left. However, failure to mail such notice shall impose no obligation or liability of any kind upon the Company, its agents or representatives.

CITY'S ORIGINAL

AGREEMENT No.: R-09-23

THIS AGREEMENT is made and entered into this 21th day of April, 2009, by and between the INGLEWOOD REDEVELOPMENT AGENCY, hereinafter referred to as the "Inglewood Redevelopment Agency" and LIDGARD AND ASSOCIATES, INC., hereinafter referred to as "Contractor" with its principal place of business at 2808 E. Katella Avenue, Suite 107, Orange, California 92867.

RECITALS

WHEREAS, Inglewood Redevelopment Agency desires to obtain the services of an experienced and qualified firm to provide certain Appraisal services; and

WHEREAS, Inglewood Redevelopment Agency, acting on its own behalf or on behalf of various other entities, pursuant to cooperation agreements, will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, Contractor represents itself as a qualified real estate appraisal firm capable of rendering the required services; and

WHEREAS, Contractor represents that it is familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE 1 - DEFINITION OF "PARCEL"

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the Inglewood Redevelopment Agency as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of Inglewood Redevelopment Agency participation in assisting the private or public development of the property.

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ARTICLE 2 - SCOPE OF SERVICES

Contractor agrees to perform the following services as may be directed in writing from time to time by the City Administrative Officer or his assignee.

(A) INVESTIGATION AND RESEARCH

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon or thereunto belonging which are recognized by the courts in eminent domain proceedings and to advise the Inglewood Redevelopment Agency, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised, and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) REPORT

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the Inglewood Redevelopment Agency to proceed with the appraisal of the Parcel.

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2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the Inglewood Redevelopment Agency to proceed with the appraisal of the Parcel.

3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.

4. The report shall, among other things, contain the following:

   a. The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.

   b. A report of any and all circumstances found by the Contractor to exist with respect to unlawful condition, use, or occupancy of the property being appraised.

   c. The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

   d. The assessed value of the property and the amount of the current real estate tax levy.

   e. A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the

Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

f. A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

g. In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation is made for severance damages, full statement of the reasons for such allocation should be made.

h. A statement of the rental value of the property and a history of the rental experience, if any.

i. A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a

statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds, and public libraries o the extent such things are relevant to value.

j. A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

k. A statement of all factors taken into consideration by Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

(C) REVISIONS AND CORRECTIONS

Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the Inglewood Redevelopment Agency.

(D) INFORMAL UPDATE OPINION

If requested by Inglewood Redevelopment Agency in writing signed by the City Administrative Officer or his assignee specifying a maximum number of hours allowable, Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

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(E) VERIFICATION LETTER

If requested by Inglewood Redevelopment Agency in writing, signed by the City Administrative Officer or his assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reason which indicates whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by Inglewood Redevelopment Agency's legal counsel, Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update of the original appraisal report and such additional details as may be necessary for courtroom use.

(G) EXPERT WITNESS

In the event the testimony of Contractor is required in any legal proceedings, in connection with Inglewood Redevelopment Agency's acquisition or, in any acquisition by another City, with assistance of the Inglewood Redevelopment Agency, of any property herein referred to, the Contractor agrees to appear as witness on behalf of Inglewood Redevelopment Agency. Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by Inglewood Redevelopment Agency or Inglewood Redevelopment Agency's legal counsel. Contractor shall keep such personal records of all details with respect to the appraisals as will enable Contractor to appear as such witness.

(H) VALUE OF LEASEHOLD INTEREST

If requested by Inglewood Redevelopment Agency in writing, signed by the City Administrative Officer or his assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the Inglewood Redevelopment Agency may, in writing, direct, and will furnish and deliver the appraisal report to the Inglewood Redevelopment Agency as soon as completed.

ARTICLE 3 - DUTIES OF CITY

Inglewood Redevelopment Agency agrees to provide Contractor with such information as is possessed by the Inglewood Redevelopment Agency and is normally supplied to Contractors performing appraisal services.

ARTICLE 4 - COMPENSATION

Inglewood Redevelopment Agency agrees to pay Contractor for its services faithfully rendered hereunder in accordance with the following schedule:

For services rendered pursuant to Article 2 (A), (B), (C), (D), (F), (G) or (H), Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "A".

For services provided pursuant to Article 2(E), Contractor shall be compensated per Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "B".

For exhibits prepared by Contractor pursuant to the request of Inglewood Redevelopment Agency's attorney, Contractor shall be reimbursed for his actual expense.

No compensation shall be paid to Contractor for any services performed unless they are performed pursuant to prior written authorization signed by the City Administrative Officer, his assignee, or Inglewood Redevelopment Agency's attorney as provided above.

No compensation shall be paid pursuant to this Agreement for work performed in relation to any parcel or parcels other than those specified in a written request from the City Administrative Officer or his assignee.

Inglewood Redevelopment Agency reserves the right to delete specific properties from the appraisal by notifying Contractor in writing. Upon receipt of such notice, Contractor shall immediately cease work on the specified properties to be deleted from the appraisal report. Contractor shall be paid for work completed prior to notification to cease work on those specified properties. Inglewood Redevelopment Agency shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

Contractor shall invoice Inglewood Redevelopment Agency in the form and number of copies requested by Inglewood Redevelopment Agency for the amount of any compensation that may become payable to Contractor pursuant to this Agreement.

In no event shall the total amount payable pursuant to this Agreement exceed $60,000 (Sixty Thousand dollars). Contractor shall invoice Inglewood Redevelopment Agency in the form and number of copies requested by Inglewood Redevelopment Agency for the amount of any compensation that may become payable to Contractor pursuant to this Agreement.

Payment shall be made as soon as practicable in the ordinary course of Inglewood Redevelopment Agency's business after Inglewood Redevelopment Agency has approved the invoices for payment.

Each invoice shall specify the service rendered, classification of the service in terms of the categories under Article 2 hereof, show the time spent, if appropriate, and the rate charged.

ARTICLE 5 - TERM

The terms of the Agreement shall be for a period of two (2) years from the date of execution of this Agreement.

ARTICLE 6 - TERMINATION

This Agreement shall terminate at Inglewood Redevelopment Agency's option; provided that the Inglewood Redevelopment Agency shall give Contractor fifteen (15) day written notice of such termination. In the event of termination by Inglewood Redevelopment Agency, Contractor shall deliver to Inglewood Redevelopment Agency all documents, files and records pertaining to any work which may be in progress and Inglewood Redevelopment Agency shall pay to Contractor an amount which equitably reflects the proportion of work completed by Contractor on each assignment, provided, that in no event shall the compensation paid pursuant to this paragraph exceed that which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

The following personnel shall be responsible for services to be performed by Contractor and no other personnel shall perform services enumerated except normal support and research services without approval of the Executive Director or his designee: Scott A. Lidgard

ARTICLE 8 - NO CITY RELATIONSHIP

No Agency relationship between Inglewood Redevelopment Agency and Contractor is intended or created by this Agreement. Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Inglewood Redevelopment Agency, it being expressly understood that the Contractor is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Service Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Errors and Omissions Liability insurance appropriate to the contractor's profession.

Minimum Limits of Insurance

Contractor shall maintain these policies and shall cause all parties supplying services, labor, or materials to maintain the following insurance in amounts not less than those specified below:

1. General Liability: (Including operations, products and completed operations, as applicable.)

   $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the

general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Errors and Omissions Liability: $1,000,000 per claim.

(a) Any "Retro Date" must be shown, and must be before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Inglewood Redevelopment Agency's counsel for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood's City Attorney's Office. At the option of the Inglewood Redevelopment Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the Inglewood Redevelopment Agency, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the Inglewood City Attorney's office guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policy are to contain, or be endorsed to contain, the following provisions:

1. The Inglewood Redevelopment Agency, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Inglewood Redevelopment Agency, it officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Inglewood Redevelopment Agency, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Inglewood Redevelopment Agency.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

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Verification of Coverage

Contractor shall furnish the Inglewood Redevelopment Agency with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Inglewood Redevelopment Agency or on other than the Inglewood Redevelopment Agency's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney's Office before work commences. The Inglewood Redevelopment Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The Contractor holds harmless the Inglewood Redevelopment Agency, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 10 - INDEMNIFICATION

Contractor shall indemnify and hold harmless the Inglewood Redevelopment Agency and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Inglewood Redevelopment Agency.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, Contractor, upon notice from Inglewood Redevelopment Agency, shall defend Indemnitees at contractor's expense by counsel acceptable to

Inglewood Redevelopment Agency, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Contractor under this Agreement are confidential and Contractor agrees that they shall not be made available to any individual or organization without prior written approval of Inglewood Redevelopment Agency.

ARTICLE 12 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

Inglewood Redevelopment Agency
Yvonne Horton
Agency Secretary
Office of the City Clerk
One Manchester Boulevard
Inglewood, California 90301

with a copy to:

Jesse Lewis
Community Development Director
One Manchester Boulevard
Inglewood, California 90301

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Contractor

Scott A. Lidgard

President

Lidgard and Associates, Inc.

2808 E. Katella Avenue

Orange, California 92867

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of Contractor are material considerations for this Agreement. Inglewood Redevelopment Agency has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Contractor under this Agreement. In recognition of that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Contractor's duties or obligations under this Agreement without the prior written consent of the Executive Director or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling Inglewood Redevelopment Agency to any and all remedies at law or in equity, including summary termination of this Agreement. Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of Inglewood Redevelopment Agency.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including Exhibits "A" and "B" is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Contractor and Inglewood Redevelopment Agency prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Inglewood Redevelopment Agency of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

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ARTICLE 19 - MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, Inglewood Redevelopment Agency and Contractor have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT F. DORN
Chairman

LIDGARD AND ASSOC., INC.

SCOTT A. LIDGARD
President

ATTEST:

YVONNE HORTON
Secretary

APPROVED AS TO FORM:

Cal P. Saunders
Agency Counsel

Exhibit "A"

Rate schedule for services rendered pursuant to Article 2 (A), (B), (C), (D), (F) or (H):

Appraiser ..... $175.00 per hour

Rate schedule for services rendered pursuant to Article 2 (G)

Appraiser ..... Bulk amount for court related work:
..... $375 per hour

..... Per diem for court related work:
..... $1,500 per half day

The above referred hourly rates will be valid for a time period not to exceed two (2) years from the date of this Agreement. After that time, rates shall be changed in accordance at that time.

Exhibit "B"

Rate Schedule for services rendered pursuant to paragraph 2(E):

$175 per hour

Exhibit "A"

Rate schedule for services rendered pursuant to Article 2 (A), (B), (C), (D), (F) or (H):

Appraiser.....$175.00 per hour

Rate schedule for services rendered pursuant to Article 2 (G)

Appraiser.....Bulk amount for court related work:
.....$375 per hour

.....Per diem for court related work:
.....$1,500 per half day

The above referred hourly rates will be valid for a time period not to exceed two (2) years from the date of this Agreement. After that time, rates shall be changed in accordance at that time.

Exhibit "B"

Rate Schedule for services rendered pursuant to paragraph 2(E):

$175 per hour

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2009 APR 29 PM 4:33

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/4/2009

PRODUCER (714)414-1167 FAX: (714)414-1195
Commercial Management Insurance Services
3911 E. La Palma
Suite J
Anaheim CA 92807

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Lidgard & Associates Inc.
2592 N Santiago Blvd
Orange CA 92867

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Continental Casualty	
INSURER B: Continental Insurance Co.	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	B3011008382	3/4/2009	3/4/2010	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
						MED EXP (Any one person)	$ 10,000
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 2,000,000
						PRODUCTS - COMP/OP AGG	$ 2,000,000
B		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	B3011008429	3/4/2009	3/4/2010	COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$ 1,000,000
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
A		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE X RETENTION $ 10,000	B3011008477	3/4/2009	3/4/2010	EACH OCCURRENCE	$ 3,000,000
						AGGREGATE	$ 3,000,000
							$
							$
							$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC311008527	3/4/2009	3/4/2010	WC STATU-TORY LIMITS / OTH-ER	
						E.L. EACH ACCIDENT	$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
		OTHER					

OK CPS

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED WITH RESPECTS TO GENERAL LIABLITY AS PER THE ATTACHED SB-146932-B
*30 DAY NOTICE OF CANCELLATION EXCEPT 10 DAYS FOR NON PAYMENT OF PREMIUM

CERTIFICATE HOLDER

sbaker@cityofinglewood.org
CITY OF INGLEWOOD REDEVELOPMENT AGENCY
SYLVIA BAKER
1 MANCHESTER BLVD 5TH FLOOR
STE 550
INGLEWOOD, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Michael Wakely/PHYLL

© ACORD CORPORATION 1988

OK CPS

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-CONTRACTORS BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Coverage Part.

1. ADDITIONAL INSURED – BLANKET VENDORS

WHO IS AN INSURED is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:

   a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

   b. Any express warranty unauthorized by you;

   c. Any physical or chemical change in the product made intentionally by the vendor;

   d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

   e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

   f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

   g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

   h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omission or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

      (1) The exceptions contained in Subparagraphs **d.** or **f.**; or

      (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

3. This provision **2.** does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.

4. This provision **2.** does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

2. MISCELLANEOUS ADDITIONAL INSUREDS

WHO IS AN INSURED is amended to include as an insured any person or organization (called additional insured) described in paragraphs **3.a.** through **3.h.** below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and

2. Executed prior to the "bodily injury," "property damage" or "personal and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and

coverage provided to such additional insureds is limited as provided herein:

a. **Additional Insured – Your Work**

That person or organization for whom you do work is an additional insured solely for liability due to your negligence specifically resulting from your work for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.

The insurance provided to the additional insured is limited as follows:

(1) The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.

(2) The coverage provided to the additional insured by this endorsement and paragraph **F.9.** of the definition of "insured contract" under **Liability and Medical Expenses Definitions** do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.

(3) The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failure to render any professional services.

b. **State or Political Subdivisions**

A state or political subdivision subject to the following provisions:

(1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

(a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

c. **Controlling Interest**

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

d. **Managers or Lessors of Premises**

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

e. **Mortgagee, Assignee or Receiver**

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

f. **Owners/Other Interests – Land is Leased**

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

g. **Co-owner of Insured Premises**

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

h. **Lessor of Equipment**

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

(1) To any "occurrence" which takes place after the equipment lease expires; or

(2) To "bodily injury," "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs **a.** through **h.** above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

3. The following is added **to Paragraph H.** of the **BUSINESSOWNERS COMMON POLICY CONDITIONS:**

H. Other Insurance

4. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

CERTIFICATE OF INSURANCE

Producer:

LIABILITY INSURANCE ADMINISTRATORS
P.O. Box 1319
Santa Barbara, CA 93102-1319

Issue Date: 04/05/2008
This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policy below.

Insured: 152163
LIDGARD AND ASSOCIATES, INC.
2808 E. Katella Ave., #107
Orange, CA 92867

Fax Number 714-633-8449

COMPANY AFFORDING COVERAGE

Liberty Insurance Underwriters, Inc.

Authorized Representative

This is to certify that the policy of insurance listed below has been issued to the Insured named above for the policy period indicated. Notwithstanding any requirement, term of condition of any contract or other document with respect to which this Certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Limits shown may have been reduced by paid claims.

TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS	
Professional Liability	LIU007385-006	04/02/2008	04/02/2009	General Aggregate Each Claim	$ 2,000,000 $ 1,000,000

Description of Operations/Locations/Special Items:
REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY INSURANCE EVIDENCE OF INSURANCE

Certificate Holder:
City of Inglewood Redevelopment Agency
Attn: Sylvia Baker
1 Manchester Blvd, 5th Floor Suite 550
Inglewood, CA 90301

Cancellation:
Should the above described policy be cancelled before the expiration date thereof, the issuing Company will endeavor to mail 30 days notice, except 10 days notice for nonpayment of premium, to the certificate holder named to the left. However, failure to mail such notice shall impose no obligation or liability of any kind upon the Company, its agents or representatives.

CITY'S ORIGINAL

09-135

AGREEMENT No. R 09 - 24

THIS AGREEMENT is made and entered into this 21st day of April, 2009, by and between the INGLEWOOD REDEVELOPMENT AGENCY, hereinafter referred to as "AGENCY" and GOEPPNER & ASSOCIATES, INC., hereinafter referred to as "Contractor" with its principal place of business at 1096 Sea Bluff Drive, Costa Mesa, California 92627

RECITALS

WHEREAS, AGENCY desires to obtain the services of an experienced and qualified firm to provide certain Appraisal services; and

WHEREAS, AGENCY, acting on its own behalf or on behalf of various other entities, pursuant to cooperation agreements, will be undertaking the procurement o, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, Contractor represents itself: (1) as a qualified real estate appraisal firm capable of rendering the required services; and (2) as being familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the AGENCY as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of AGENCY participation in assisting the private or public development of the property.

Contractor agrees to perform the following services as may be directed in writing from time to time by the AGENCY Executive Director or his assignee.

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(A) INVESTIGATION AND RESEARCH

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon are recognized by the courts in eminent domain proceedings and to advise the AGENCY, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised, and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) REPORT

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the AGENCY to proceed with the appraisal of the Parcel.

2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the AGENCY to proceed with the appraisal of the Parcel.

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3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.

4. The report shall, among other things, contain the following:

(a) The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.

(b) A report of any and all circumstances found by the Contractor to exist with respect to unlawful condition, use, or occupancy of the property being appraised.

(c) The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

(d) The assessed value of the property and the amount of the current real estate tax levy.

(e) A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of

comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

(f) A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

(g) In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation is made for severance damages, full statement of the reasons for such allocation should be made.

(h) A statement of the rental value of the property and a history of the rental experience, if any.

(i) A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds,

and public libraries to the extent such things are relevant to value.

(j) A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

(k) A statement of all factors taken into consideration by Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

(C) REVISIONS AND CORRECTIONS

Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the AGENCY.

(D) INFORMAL UPDATE OPINION

If requested by AGENCY in writing signed by the AGENCY Executive Director or his assignee specifying a maximum number of hours allowable, Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

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(E) VERIFICATION LETTER

If requested by AGENCY in writing, signed by the AGENCY Executive Director or his assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reasons which indicate whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by Agency's legal counsel, Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update of the original appraisal report and such additional details as may be necessary for courtroom use.

(G) EXPERT WITNESS

In the event the testimony of Contractor is required in any legal proceedings, in connection with AGENCY's acquisition or, in any acquisition by another AGENCY, with assistance of the AGENCY, of any property herein referred to, the Contractor agrees to appear as a witness on behalf of AGENCY. Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by AGENCY or AGENCY's legal counsel. Contractor shall keep such personal records of all details with respect to the appraisals as will enable Contractor to appear as such witness.

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(H) VALUE OF LEASEHOLD INTEREST

If requested by AGENCY in writing, signed by the AGENCY Executive Director or his assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the AGENCY may, in writing, direct, and will furnish and deliver the appraisal report to the AGENCY as soon as completed.

ARTICLE 2 - DUTIES OF AGENCY

AGENCY agrees to provide Contractor with such information as is possessed by the AGENCY and is normally supplied to Contractors performing appraisal services.

ARTICLE 3 - COMPENSATION

All invoices submitted by Contractor shall contain: (1) date of invoice; (2) sequential invoice number; (3) AGENCY agreement number; (4) description of services billed under this invoice; (5) total agreement amount; (6) total amount for services, itemization of all reimbursable expenses included in the invoice; (7) total billed (by services and reimbursable expenses) to date; (8) total amount remaining on Agreement. Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of AGENCY and shall certify, on each invoice, that it is entitled to receive the amount invoiced. The parties agree that Contractor shall be paid the following hourly rates:

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PERSONNEL	HOURLY RATE	COURT RATE
Goeppner & Neustein	$250.00	$325.00
Sr. Appraisers	$125.00 – $250.00	$190.00 - $300.00
Appraisers	$75.00 – $125.00	N/A
Analysts	$50.00 – $125.00	N/A
Researchers	$40.00 - $75.00	N/A
Staff	$20.00 - $45.00	N/A

Provided that Contractor has the prior written approval of the AGENCY Executive Director, his designee or AGENCY's counsel, the parties hereto agree that Contractor shall be reimbursed for the actual expense to prepare exhibits requested by AGENCY's counsel.

The parties hereto agree that in no event shall payment to Contractor pursuant to this Agreement exceed thirty-thousand and 00/100 dollars ($30,000).

Contractor agrees that, should work be performed outside the scope of services without the prior written approval of AGENCY, such work shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim against the AGENCY for reimbursement.

AGENCY reserves the right to delete specific properties from the appraisal by notifying Contractor in writing. Upon receipt of such notice, Contractor shall immediately cease work on the specified properties to be deleted from the appraisal report. Contractor shall be paid for work completed prior to notification to cease work on those specified properties. AGENCY shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

ARTICLE 4 - TERM

The term of the Agreement shall be for a period of two (2) years from the date of execution of this Agreement by AGENCY.

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ARTICLE 5 - TERMINATION

AGENCY may, in its sole and absolute discretion and without cause, terminate this Agreement immediately upon written notice to Contractor. Contractor may terminate this Agreement upon fifteen (15) days written notice to AGENCY. In the event of termination of this Agreement, Contractor shall deliver to AGENCY all documents, files, records and copies thereof pertaining to any work which may be in progress and AGENCY shall pay to Contractor an amount which equitably reflects the proportion of work completed by Contractor on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 3 of this Agreement. Contractor shall also, at its expense, provide AGENCY all Contractor documents, files, records and copies thereof which the AGENCY uses to prepare its reports and findings shall become the property of the AGENCY. The AGENCY agrees to hold harmless and indemnify the Contractor against all damages, claims and losses arising out of any use of said documents, files, records and copies thereof.

ARTICLE 6 - PERSONNEL

The parties hereto agree that, unless otherwise specifically designated or agreed to by AGENCY, Kurt J. Goeppner, shall be personally responsible for and supervise all matters assigned to and handled by Contractor. AGENCY shall have the right to designate or reject the assignment of other employees or sub-contractors associated with Contractor.

ARTICLE 7 - NO AGENCY RELATIONSHIP

No agency relationship between AGENCY and Contractor is intended or created by this Agreement. Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the AGENCY, it being expressly understood that the Contractor is at all times a wholly independent Contractor.

ARTICLE 8 - INSURANCE

Consultant shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability Insurance appropriate to the consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.
4. Errors & Omissions: $1,000,000 per claim.
   (a) The "Retro Date" must be shown and must be made before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the AGENCY. At the option of the AGENCY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relate to the INGLEWOOD REDEVELOPMENT AGENCY and their officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the AGENCY guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The INGLEWOOD REDEVELOPMENT AGENCY, and their officers, officials, employees and volunteers are to be covered as insureds with respect to: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.

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2. For any claims related to this project, the Contractor's insurance coverage shall be primary as respects the AGENCY, INGLEWOOD REDEVELOPMENT AGENCY, and their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the AGENCY, INGLEWOOD REDEVELOPMENT AGENCY, their officers, officials, employees or volunteers shall be non-contributing and in excess of the Contractor's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the AGENCY.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782 (b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Contractor shall furnish the INGLEWOOD REDEVELOPMENT AGENCY with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the AGENCY or on other than the AGENCY's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the AGENCY's Counsel before work commences. The AGENCY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

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The Contractor holds harmless the AGENCY, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 9 - INDEMNIFICATION

Contractor shall indemnify and hold harmless the AGENCY and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the AGENCY.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, Contractor, upon notice from AGENCY, shall defend Indemnitees at contractor's expense by counsel acceptable to AGENCY, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 10 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Contractor under this Agreement are confidential and Contractor agrees that they shall not be made available to any individual or organization without prior written approval of AGENCY.

ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

AGENCY	Contractor
Yvonne Horton	Goeppner & Associates, Inc.
Agency Secretary	1096 Sea Bluff Drive
Office of the AGENCY Clerk	Costa Mesa, California 92627
One Manchester Boulevard	Attn.: Kurt J. Goeppner, President
Inglewood, California 90301	

with a copy to:

Jesse Lewis
Community Development Director
One Manchester Boulevard
Inglewood, California 90301

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of Contractor are material considerations for this Agreement. AGENCY has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Contractor under this Agreement. In recognition of that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Contractor's duties or obligations under this Agreement without the prior written consent of the AGENCY Executive Director or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling AGENCY to any and all remedies at law or in equity, including summary termination of this Agreement. Contractor shall not assign any interest in this Agreement and shall not transfer

any interest in the same whether by assignment or novation, without prior written approval of AGENCY.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Contractor and AGENCY prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by AGENCY of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement.

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ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 – MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event

the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, the INGLEWOOD REDEVELOPMENT AGENCY and Contractor have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT F. DORN
Agency Chairman

GOEPPNER & ASSOCIATES, INC.

KURT J. GOEPPNER
President

ATTEST:

YVONNE HORTON
Agency Secretary

APPROVED AS TO FORM:

Cal Saunders
Agency Counsel

N:\AGREEMENTS\IRA\Goeppner & Assoc.doc

Policy Number: Date Entered: 1/22/2009

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 1/22/2009

PRODUCER
B.W. Baker Insurance Inc.
29169 Heathercliff #208
Malibu Ca. 90265
Lic #0B49439
Phone: (310) 457-5092
Fax: (310) 457-6225

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Ellis group, Inc.
dba: Integra Realty Resources-LA
20720 Ventura Blvd #240
Woodland Hills, CA 91364

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Farmers Insurance Group A	
INSURER B: Farmers Insurance Group A	
INSURER C: Farmers Insurance Group A	
INSURER D: Farmers Insurance Group A	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR [X] Owners & [ ] Contractors GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC	601757268	10/29/2008	10/29/2009	EACH OCCURRENCE	$2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$75,000
						MED EXP (Any one person)	$5,000
						PERSONAL & ADV INJURY	$2,000,000
						GENERAL AGGREGATE	$2,000,000
						PRODUCTS - COMP/OP AGG	$2,000,000
B		AUTOMOBILE LIABILITY [X] ANY AUTO [ ] ALL OWNED AUTOS [X] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS	601757268	10/29/2008	10/29/2009	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
C		EXCESS/UMBRELLA LIABILITY [X] OCCUR [ ] CLAIMS MADE	094075076	8/26/2008	8/26/2009	EACH OCCURRENCE	$1,000,000
						AGGREGATE	$1,000,000
		[ ] DEDUCTIBLE					$
		[ ] RETENTION $					$
							$
D		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	A09209249-08	8/13/2008	8/13/2009	WC STATU-TORY LIMITS / OTH-ER	
						E.L. EACH ACCIDENT	$1,000,000
						E.L. DISEASE - EA EMPLOYEE	$1,000,000
						E.L. DISEASE - POLICY LIMIT	$1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder is added as additional insured as respects coverages indicated
City of Inglewood, its officers, employees & agents are named as additional insureds as respects to general and auto liability for claims arising from the operations of the named insured.
per attached endorsements, insurance is primary and non-contributing.

CERTIFICATE HOLDER

City of Inglewood
Attn: Sylvia Baker
Sr. Redevelopment Specialist
One Manchester Bl., Suite 450, Inglewood, CA 90301

OK CPS

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Baker, Bart

Bart Baker

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Produced using Forms Boss Plus software, www.FormsBoss.com; Impressive Publishing 800-206-1977

POLICY NUMBER: 601757268
Ellis Group, Inc DBA Integra Realty Resources

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provide the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

City of Inglewood, its officers, employees and agents are named as additional insureds as respects to general and auto liability for claims arising from the operations of the named insured.

(If no entry appears above, information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive the right of recovery we may have against the person or organization shown in the schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".
This waiver applies only to the person or organization shown in the Schedule above.

Copyright, Insurance Services Offices, Inc., 1992

POLICY NUMBER: 601757268
Ellis Group, Inc DBA Integra Realty Resources

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSORS OR CONTRACTORS (FORM B)

This endorsement modifies insurance provide the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

City of Inglewood, its officers, employees and agents are named as additional insureds as respects to general and auto liability for claims arising from the operations of the named insured.

(If no entry appears above, information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person ort organization shown in the schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

Coverage provided to the Additional Insured's under this Endorsement is primary and other insurance maintained by the additional Insured's is deemed to be excess and shall not continue with this insurance.

Copyright, Insurance Services Offices, Inc., 1992

CITY'S ORIGINAL

AGREEMENT 09–83

THIS AGREEMENT is made and entered into this 11th day of August, 2009, by and between the CITY OF INGLEWOOD hereinafter referred to as the "CITY" and "PARAGON PARTNERS LTD." a California Corporation, with its principal place of business at 5762 Bolsa Avenue, Suite 201, Huntington Beach, California 92649, hereinafter referred to as "Consultant."

WHEREAS, the City desires to engage Consultant to render certain technical advice and assistance on relocation, and property management; and

WHEREAS, Consultant represents that it is familiar with Federal, State and local rules, laws and regulations that govern relocation and property management services; and

WHEREAS, Consultant represents itself as being qualified to provide such services under this Agreement.

NOW, THEREFORE, in consideration of the premises the parties hereto agree as follows:

ARTICLE 1 – SCOPE OF SERVICES

Consultant, when requested by the City, shall confer with and advise the City regarding relocation and property management services including but not limited to the following:

1. Update and develop policies and procedures for implementation of relocation and property management program.

2. Develop monthly relocation activity reports or such other reports as may be required. These reports shall include: (a) field survey results of proposed displaced persons; (b) relocation resources and estimate of adequacy of such resources; (c) recommendation and/or implementation of program to supplement existing relocation resources and budget projections.

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3. Consult and advise City with relocation and property management advice necessary for proper operation of the program. This shall include, but not be limited to the setting up of files, preparation of forms, ledgers, etc.

4. Conduct field surveys of project residents and businesses, relocation housing resources, temporary or permanent business relocation resources and any affected local community groups, etc.

5. Consultant shall be available, as required, for various public presentations and/or consultations with City Council, Department Heads, citizens groups, or others that may be designated by City.

6. Consultant shall contact project residents and businesses to inform them of the relocation and property management program, advise them of their benefits, recommend relocation housing or business sites, assist them in filing relocation claims, and advise them of economic or social assistance available to them. Consultant shall track, monitor and process all last resort housing cases.

7. Develop a residential relocation plan including available relocation facilities for residents in the Target Area, if applicable.

8. Provide property management services on an as needed basis. Management services shall include, but not be limited to collection of rents, management of utilities, interior repairs and general maintenance as needed. Consultant has the authority to perform or to contract for emergency repairs in those circumstances when health or safety require repair prior to obtaining written approval of City. Emergency repairs include problems such as plumbing, electrical and expenses due to fie damage. Non-emergency repairs shall be subject to the prior written approval of City. Consultant's request for approval shall be accompanied by an estimate of the cost of the work.

ARTICLE II – DUTIES OF THE CITY

The City shall provide Consultant with any plans, publications, reports, statistics, records or other data or information pertinent to services to be performed

hereunder, which are reasonably available to the City.

The City shall additionally provide Consultant with appropriate staff assistance and shall take prompt and appropriate action when it will assist in insuring proper and timely performance by Consultant hereunder.

ARTICLE III – COMPENSATION AND METHOD OF PAYMENT

Consultant shall invoice City monthly for all work done and shall specify the date and the number of hours worked during the preceding month. Consultant shall certify, on each invoice, that it is entitled to receive the amount invoiced. The parties agree that Consultant shall be paid the following hourly rates:

PERSONNEL	HOURLY RATE
Principal/Director	$135.00
Project Manager/Corporate Broker	125.00
Task Leader	110.00
Senior Relocation Specialist	95.00
Senior Property Manager	85.00
Acquisition/Relocation Agent	75.00
Property Manager	65.00
Senior Staff Appraiser	120.00
Escrow Coordinator	60.00
Administrative Support	$50.00
Office Clerk	$35.00
Deposition/Court Testimony	$150.00

Consultant agrees that it shall not charge for mileage, parking, telephone/fax expense, postage and incidental copies. Consultant agrees that it shall only charge its actual expense for messenger services, overnight mail costs, and copies of reports, documents, notices, and support material in excess of five (5) copies. Engineering copies at $5.00 each and Experian copies at $2.00 each.

In no event shall payment to Consultant pursuant to this Agreement exceed the sum of $104,000 (one hundred four thousand dollars).

ARTICLE IV – NO CITY RELATIONSHIP

No relationship between City and Consultant is intended or created by this Agreement. Consultant is not authorized and shall not at any time or in any manner

represent that it is an agent, servant, or employee of the City, it being expressly understood that Consultant is at all times a wholly independent contractor.

ARTICLE V – INSURANCE REQUIREMENTS

Consultant shall procure and maintain, at its expense, for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Coverage

Coverage shall be at least as broad as

1. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

2. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

3. Errors and Omissions Liability Insurance appropriate to the consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage

2. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

3. Errors & Omissions: **$1,000,000** per claim.

(a) The "Retro Date" must be shown and must be made before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

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(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, City of Inglewood and their officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, City of Inglewood, and their officers, officials, employees and volunteers are to be covered as insureds with respect to: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary as respects the City, City of Inglewood, and their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, City of Inglewood, their officers, officials, employees or volunteers shall be non-contributing and in excess of the Consultant's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782 (b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

ARTICLE VI - INDEMNIFICATION

Consultant shall indemnify and hold harmless the City, City of Inglewood and their officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the City or City.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which consultant has agreed to indemnify indemnities as provided above, Consultant, upon notice from City, shall defend indemnities at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which

Indemnitees are entitled to indemnification in order to be so indemnified. Consultant's insurance requirements, under this Article, shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE VII – TERM

Consultant shall commence services, under this Agreement, within ten (10) working days after receipt of City's Notice to Proceed. The terms of the contract will be a period of one (1) year from receipt of the City Administrator or his designee's written Notice to Proceed.

ARTICLE VIII – FINDINGS CONFIDENTIAL

All of the reports, findings and conclusions prepared or assembled by Consultant under this Agreement are confidential and Consultant agrees that they shall not be made available to any individual or organization without prior written approval of City.

All reports and findings, with the exception of computer software developed by the Consultant, shall become the property of City; however, no conclusions, opinions or studies provided by Consultant shall be made available to any other party except in connection with the original purpose of this assignment, without the prior written approval of the City. Computer software remains the property of the Consultant.

ARTICLE IX – TERMINATION

This Agreement shall terminate upon acceptance and approval by City of the final reports, if any. City, however, may terminate this Agreement at any time upon ten (10) days written notice to the Consultant. In the event of such termination, Consultant shall deliver to City all documents, files, records and copies thereof pertaining to any work which may be in progress and City shall pay to Consultant an amount which equitably reflects the proportion of work completed by Consultant on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph

exceed the amount which would have been payable pursuant to Article III of this Agreement. In the event termination of this Agreement by City, all Consultant's documents, files, records and copies thereof which the City uses to prepare their reports and findings shall become the property of the City. The City agrees to hold harmless and indemnify the Consultant against all damages, claims and losses arising out of any use of said documents, files, records and copies thereof.

ARTICLE X – NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

To City:
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301
Attn: Yvonne Horton, City Clerk

Consultant:
Paragon Partners Ltd.
5762 Bolsa Avenue, Suite 201
Huntington Beach, California 92649
Attn: Neilia A. LaValle, President

With a copy to:

Jesse Lewis, Community Dev. Dir.
One Manchester Boulevard, Suite 450
Inglewood, California 90301

Notices shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, five (5) days after deposit of the same in the Custody of the United States Postal Service, properly addressed, with postage prepaid and return receipt requested.

ARTICLE XI – NON-ASSIGNABILITY

The expertise and experience of Consultant are material considerations for this Agreement. City has an interest in the qualifications of and capability of the company that will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's

duties or obligations under this Agreement without the prior written consent of the City. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including summary termination of this Agreement. Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of City.

ARTICLE XII – EQUAL EMPLOYMENT

Consultant agrees that during the performance of this Agreement it will not discriminate against any employee or applicant for employment because of race, religious creed, color, sex, sexual orientation, national origin, marital status, physical handicap, medical condition, ancestry or age.

ARTICLE XIII – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, or a waiver of any subsequent breach or violation of any Agreement provision. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE XIV – GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

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ARTICLE XV – MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE XVI – SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

ARTICLE XVII – ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements,

representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

IN WITNESS WHEREOF, the City of Inglewood and Paragon Partners Ltd. have executed this Agreement as of the date first above written.

PARAGON PARTNERS LTD.

Nelia A. La Valle, President

CITY OF INGLEWOOD

Roosevelt Dorn, Mayor

ATTEST:

Yvonne Horton, City Clerk

APPROVED AS TO FORM:

Cal P. Saunders, City Attorney

N:\AGREEMENTS\CONSULTANT\PARAGON PARTNERS 4.09.doc

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SN
PARAG-3

DATE (MM/DD/YYYY)
05/15/09

PRODUCER

The Dougherty Company, Inc.
P.O. Box 7277
Long Beach CA 90807
Phone: 562-424-1621 Fax: 562-490-0432

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Paragon Partners Ltd.
5762 Bolsa Avenue, Suite 201
Huntington Beach CA 92649

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Navigators Insurance Company	42307
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurence)	$
		CLAIMS MADE / OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$
		POLICY / PRO-JECT / LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		OCCUR / CLAIMS MADE				AGGREGATE	$
							$
		DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					
A		Real Estate Errors & Omissions	NY09MPL602790NC CLMS MADE:$10K RETENTION	05/07/09	05/07/10	Claim	2,000,000
						Aggregate	2,000,000

MAY 2 0 2009

OK cls

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*Except 10 days notice for non payment of premium.

CERTIFICATE HOLDER

INGLE-1

City of Inglewood
One Manchester Blvd #450
Inglewood CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Richard Lindgren

© ACORD CORPORATION 1988

SHORT FORM AGREEMENT

No. R-10-030-MSF

Inglewood Redevelopment Agency
(Indicate whether City or name of Agency)

THIS AGREEMENT is entered into this 14th day of January, 20 10 by and between the CITY OF INGLEWOOD or any of its authorized agencies ("Inglewood") and DHA Consulting LLC ("Contractor/Consultant").

IN CONSIDERATION of the performance of their mutual covenants, the parties hereto agree as follows:

1. **SERVICES.** Contractor/Consultant agrees to perform the services included in its proposal attached hereto as Exhibit "A" and made a part hereof by this reference and/or to include the following:
See Attachment 1

2. **TIME LIMIT.** Said services shall be completed prior to September 30, 20 10 (or within _____ days after Notice to Proceed). This is of the essence of this agreement.

3. **AGENCY PRECLUDED.** No agency affecting or binding Inglewood shall be created by virtue of this agreement. The Contractor/Consultant shall be acting at all times as an "independent contractor" and as such shall hold Inglewood harmless for any actions involving negligence or intentional tort on the part of the Contractor/Consultant.

4. **COMPENSATION.** Inglewood agrees to pay Contractor/Consultant the sum of $_____ upon completion of the herein designated services or (if not in one sum) payments of $_____ on _____ date (s) or in the alternative, payments will be made as follows: As billed. In no event shall the total compensation exceed the sum of $ 20,000.

5. **WORKMANLIKE MANNER.** Contractor/Consultant agrees to perform all services herein in a workmanlike manner.

6. **CHANGES.** No change, amendment or modification to this agreement shall be effective unless it is in writing and signed by the parties hereto.

7. **ADDITIONAL PROVISIONS.** See City's standard Terms & Conditions, a 4 page document which is incorporated herein as set forth in full, other provisions, if any.

Approved:

City Administrator

Attest:

City Clerk/Secretary

Approved as to form:

City Attorney

Vendor: DHA Consulting
Address: 110 Pine Avenue
Long Beach, CA 90802

SIGNATURE:
Contractor/Consultant (If corporation - officer's signature and title).

CITY OF INGLEWOOD, a municipal corporation
INGLEWOOD REDEVELOPMENT AGENCY
INGLEWOOD HOUSING AUTHORITY

By

Mayor/Chairman of Agency or Authority

Accounting Verification By — Date 12/31/09

FUND	DEPT	DIV/SEC	OBJ	SUB OBJ	PROJ
160	030	3040	4830		3040

Original-City Clerk / Green - Purchasing / Canary - Vendor / Pink - Legal / Goldenrod - Department

AGREEMENT NO.: R-10- 16

THIS AGREEMENT is made and entered into this 29th day of June, 2010 by and between the INGLEWOOD REDEVELOPMENT AGENCY (hereinafter referred to as "Agency") and KANE BALLMER & BERKMAN hereinafter referred to as "Special Counsel," with its principal place of business located at 515 S. Figueroa Street, Suite 1850, Los Angeles, California 90071 and covers work now in progress or that has previously been completed under the prior agreement which has no expiration date.

WHEREAS, Agency is engaged in various litigation and transactional matters in which it is represented by Special Counsel; and

WHEREAS, Agency is desirous of continuing this professional relationship; and

WHEREAS, Special Counsel represents itself to be desirous of continuing to provide Agency with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW THEREFORE, in consideration of the premises the parties hereto agree as follows:

Article 1 -- SCOPE OF SERVICES

Special Counsel agrees to render legal services to Agency when and as requested by the Agency Counsel and under his direction.

Legal services to be performed by Special Counsel under this Agreement may include, but are not limited to the rendering of legal advice and consultation; the drafting and preparation of necessary legal documents to effectuate the best interests of Agency, and all appearances required by the court in litigation involving Agency.

Article 2 -- DUTIES OF AGENCY

Agency shall provide Special Counsel with such information as is possessed by Agency and which is normally supplied to attorneys performing such services.

Article 3 -- RESPONSIBLE ATTORNEY

The parties hereto agree that, unless otherwise specifically designated or agreed to by Agency, Royce K. Jones, Esq., shall be personally responsible for and supervise all matters assigned to and handled by Special Counsel. Agency shall have the right to designate other specific attorneys associated with Special Counsel to handle any particular matter or matters.

Article 4 -- COMPENSATION

Agency agrees to pay Special Counsel, for services faithfully rendered hereunder, at the following rates:

Senior Principal Level Associates ..... $200.00 per hour
Principals ..... $200.00 per hour
Principal Level Associates ..... $180.00 per hour
Senior Associates ..... $160.00 per hour
Associates ..... $140.00 per hour
Legal Assistant 1 ..... $90.00 per hour
Legal Assistant 2 ..... $60.00 per hour

The total compensation provided for pursuant to this Agreement shall not exceed one hundred and seventy-five thousand dollars ($175,000). If additional funds are necessary for the provision of services as authorized pursuant to this Agreement, such additional funds must be approved by the City Council.

In addition to the hourly time charges, Special Counsel shall be reimbursed for expenses actually and necessarily incurred including, but not limited to photocopying, long distance telephone charges, facsimile communication charges, overnight courier services, postage, travel expenses, filing fees and similar expenses customarily separately billed by Special Counsel to its clients. If such expenses are significant, Special Counsel may arrange for them to be billed directly to Agency, if the expenses were authorized by the City Attorney.

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It is understood and agreed that Special Counsel is serving in a limited capacity to Agency and only those services which the Agency Counsel has authorized to be performed shall be compensable hereunder. Special Counsel shall invoice Agency on a monthly basis for all work done and shall specify the number and dates of hours worked during the preceding month. Special Counsel shall certify on each invoice that it is entitled to receive the amounts requisitioned. Each invoice shall be in the form and number of copies requested by Agency.

Payment shall be made as soon as practicable in the ordinary course of Agency business, after Agency has approved the invoice for payment. Special Counsel shall maintain proper records of the hours worked pursuant to this Agreement and such records shall be open at any reasonable time for inspection by Agency.

Article 5 -- INSURANCE REQUIREMENTS

Special Counsel shall provide and maintain, during the term of this Agreement, professional malpractice liability insurance in the amount of $1,000,000.00, as evidenced by a Certificate of Insurance. The Certificate of Insurance shall be filed with Agency upon execution of this Agreement. The Certificate of Insurance shall be reviewed for approval by the Agency Counsel or her designee.

Article 6 -- FINDINGS CONFIDENTIAL

All reports, documents, findings and conclusions, and any and all similar documents prepared or assembled by Special Counsel under this Agreement are confidential. Special Counsel agrees that no documents prepared or assembled by it under this Agreement shall be made available to any individual or organization without prior written approval of Agency, unless required by law.

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Article 7 -- NON-ASSIGNABILITY

Special Counsel shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without prior written approval of Agency.

Article 8 -- NOTICE

Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted, and deposited in the United States mail addressed to the respective parties as follows:

Agency:
Cal P. Saunders, Esq.
Agency Counsel
Inglewood Redevelopment Agency
One Manchester Boulevard, Suite 860
Inglewood, CA 90301-1750

With a Copy to:
Margarita Cruz, Redevelopment Manager
Inglewood Redevelopment Agency
One Manchester Boulevard, Suite 450
Inglewood, CA 90301-1750

With a Copy to:
Yvonne Horton, City Clerk
One Manchester Boulevard
Inglewood, CA 90301

Special Counsel:
Royce K. Jones, Esq.
Kane, Ballmer & Berkman
515 S. Figueroa Street, Suite 1550
Los Angeles, CA 90071.

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Article 9 -- EQUAL EMPLOYMENT OPPORTUNITY

Special Counsel agrees that during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability or national origin.

Article 10 -- CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modifications to this Agreement shall be effective unless in writing and signed by authorized representatives of the parties hereto.

Article 11 -- TERMINATION

Agency and Special Counsel agree that each shall have the right, at any time, to terminate this Agreement upon written notice to the other party. Any notice of termination shall be given in accord with the requirements of Article 8, herein. Special Counsel, upon receipt of a written notice of termination, shall immediately cease to render additional services to Agency. Such termination shall not, however, relieve Agency of the obligation to pay the fees due for services rendered and costs incurred prior to such termination.

Article 12 -- WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Agency of any work or services by Special Counsel shall not constitute a waiver of any of the provisions of this Agreement.

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Article 13 -- GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

Article 14 -- SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

Article 15 -- MISCELLANEOUS

The parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

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Article 16 -- ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, Agency and Special Counsel have executed this Agreement as of the date and year first above written.

KANE, BALLMER & BERKMAN

ROYCE K. JONES, Esq.

INGLEWOOD REDEVELOPMENT AGENCY

CHAIRPERSON

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS, Esq.
Agency Counsel

N:\AGREEMENTS\IRA\(Redevelopment) - Kane Ballmer & Berkman 2010.doc

SHORT FORM AGREEMENT

No. SF-11-044

Inglewood Redevelopment Agency
(Indicate whether City or name of Agency)

2011 JAN 10 AM 9:57

THIS AGREEMENT is entered into this 18th day of January, 2011 by and between the CITY OF INGLEWOOD or any of its authorized agencies ("Inglewood") and DHA Consulting LLC ("Contractor/Consultant").

IN CONSIDERATION of the performance of their mutual covenants, the parties hereto agree as follows:

1. **SERVICES.** Contractor/Consultant agrees to perform the services included in its proposal attached hereto as Exhibit "A" and made a part hereof by this reference and/or to include the following:

SEE ATTACHED

2. **TIME LIMIT.** Said services shall be completed prior to November 23, 2011 (or within _____ days after Notice to Proceed). This is of the essence of this agreement.

3. **AGENCY PRECLUDED.** No agency affecting or binding Inglewood shall be created by virtue of this agreement. The Contractor/Consultant shall be acting at all times as an "independent contractor" and as such shall hold Inglewood harmless for any actions involving negligence or intentional tort on the part of the Contractor/Consultant.

4. **COMPENSATION.** Inglewood agrees to pay Contractor/Consultant the sum of $_____ upon completion of the herein designated services or (if not in one sum) payments of $_____ on _____ date (s) or in the alternative, payments will be made as follows: As billed. In no event shall the total compensation exceed the sum of $ 10,000.00.

5. **WORKMANLIKE MANNER.** Contractor/Consultant agrees to perform all services herein in a workmanlike manner.

6. **CHANGES.** No change, amendment or modification to this agreement shall be effective unless it is in writing and signed by the parties hereto.

7. **ADDITIONAL PROVISIONS.** See City's standard Terms & Conditions, a 4 page document which is incorporated herein as set forth in full, other provisions, if any.

Approved:

City Administrator

Attest:

City Clerk/Secretary

Approved as to form:

City Attorney

Vendor: DHA Consulting
Address: 110 Pine Avenue
Suite 340
Long Beach, CA 90802

SIGNATURE:
Contractor/Consultant (If corporation - officer's signature and title).

CITY OF INGLEWOOD, a municipal corporation
INGLEWOOD REDEVELOPMENT AGENCY
INGLEWOOD HOUSING AUTHORITY

By
Mayor/Chairman of Agency or Authority

FUND	DEPT	DIV/SEC	OBJ	SUB OBJ	PROJ
160	030	3040	4830		

Accounting Verification By

Date 2/16/10

Original-City Clerk / Green - Purchasing / Canary - Vendor / Pink - Legal / Goldenrod - Department

11-076

AGREEMENT NO.: R-11-003

THIS AGREEMENT is made and entered into this 1st day of March, 2011, by and between the INGLEWOOD REDEVELOPMENT AGENCY (hereinafter referred to as "Agency") and DHA CONSULTING, LLC., (hereinafter referred to as "Consultant"), a California Limited Liability Corporation, with its principal place of business at 110 Pine Avenue, Suite 340, Long Beach, California 90802.

WHEREAS, the Agency has undertaken certain activities pursuant to the California Community Redevelopment Law necessary to the planning and execution of redevelopment projects; and

WHEREAS, the Agency desires to engage Consultant to render certain technical advice and assistance on financial matters in connection with such undertakings of the Agency; and

WHEREAS, specifically, the Agency desires assistance with certain housing compliance issues as well as ongoing assistance to complete financial planning and regulatory reporting as required by law and to ensure that the Agency properly meets its various tax sharing obligations; and

WHEREAS, Consultant holds itself out as being willing, ready and able to provide such services as the Agency needs.

NOW, THEREFORE, in consideration of the premises the parties hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

Consultant agrees to:

1. HOUSING COMPLIANCE AUDIT

a. Assist Agency staff in reviewing and assembling historical records to calculate housing expenditures to date by age and income group, compliance with replacement housing requirements, and affordable housing deed restrictions;

///

b. Submit a final report which provides details on affordable housing developed, expenditures from the Housing Fund by income category, and conformance with replacement housing requirements;

c. Outline any instances of non-compliance noted during the review and shall note suggestions for correction;

d. Adhere to the overriding goal of identifying systems and procedures that have caused or are likely to cause problems;

e. Provide a report that shall include any suggestions for revised systems and procedures for ensuring ongoing compliance with the various regulations and reporting requirements.

2. IMPLEMENTATION PLAN

a. Assist Agency staff in preparing an Implementation Plan (hereinafter "Plan") for the Agency's Merged Redevelopment Project Area based on information on desired programs, costs and housing statistics determined in the Housing Compliance Audit and/or otherwise provided by Agency staff;

b. Work with Agency staff to identify programs and projects that are priorities and can reasonably be accomplished during the upcoming five-year implementation period;

c. Submit a Plan that shall report on housing and non-housing activities for fiscal years 2010-11 through 2014-15, assuming those dates are compatible with its prior Implementation Plan.

3. ANNUAL STUDIES

a. Update previously prepared tax increment revenues projections to incorporate actual assessed values/revenues reported by the County in the fall of each year. Actual values will be compared to estimates prepared in the prior year with any major variations noted. Assessed value trends in excess of two percent (2%) can be incorporated based on historical taxable value growth in the last five plus (5+) years and the current changes in the real estate market generally. Trends in excess of two

percent (2%) are incorporated, when appropriate, into revenue projections prepared by Consultant, unless the projections are prepared for bonding purposes. The following elements will be included in the revenue estimates:

i. Impact of appeals;

ii. Impact of new development;

iii. Project area trends;

iv. Property transfer;

v. Redevelopment plan limitations.

b. Include, in the final product for this task, tables showing the revenue projections for each area with a short transmittal memorandum which would largely be limited to a description of the assumptions used regarding trends and any valuation decrease, plus a discussion of any aberrations noted during the review, and recommendations for any further study.

4. REVENUE AND EXPENDITURE CASH FLOWS

Update existing cash flow models to incorporate updated tax increment revenue projections prepared under Tax Increment Revenue Projections, above and any other updated revenue and expenditure information provided by Agency Staff. Once the cash flow is updated, it is proposed that the model be transferred to Agency Staff so that Staff can prepare changes throughout the fiscal year.

5. STATEMENTS OF INDEBTEDNESS (SOI)

Prepare the annual SOI report based on information provided by Agency Staff. Consultant shall input the data for the SOI onto the SOI Excel forms and provide the Agency with a computer disk and/or hard copy of the report for filing by the deadline. If desired by Agency, Consultant shall also be responsible for assembling and labeling the back-up data required by the County of Los Angeles (the Agency files a single SOI for the entire Merged Project Area).

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6. ANNUAL REPORT (HCD)

Prepare the annual HCD report based on information provided by Agency Staff for filing by December 31, 2011 and 2012. For the initial report, much of the information will have already been gathered during the housing compliance audit discussed above. If desired by Agency Staff, Consultant shall input the data into the forms provided by HCD and provide the Agency with computer disks and/or hard copies of the report for filing by the deadline.

7. ANNUAL REPORT/STATE CONTROLLER

a. Assist Agency Staff in preparing its annual State Controller Reports, which will be due December 31, 2011 and 2012. Finance staff members are assumed to complete the majority of the State Controller's Report, which is largely a restatement of the Agency's audited financial statements. Consultant shall review previously prepared State Controller's Reports and provide Agency Staff with suggestions, if any, for improvement;

b. Prepare selected tables, review the completed proposed report, and be available to Staff to answer any questions.

8. CALCULATE ANNUAL TAX SHARING OBLIGATIONS (PASS THROUGH)

Assist the Agency in calculating and distributing a portion of tax increment revenue to all applicable base year taxing entities resulting from the Agency's various tax sharing requirements. Using formats and methodologies developed in previous years, Consultant shall compute the estimated pas through payments for each Project Area for both fiscal years, and shall provide the Agency with a report outlining payments due to each taxing entity by Project Area for each year.

9. OTHER REPORTS/RESEARCH

Provide advice to Agency Staff on tax increment and Agency compliance issues, prepare special reports as needed and requested, and review and comment upon reports prepared by Agency Staff, as needed and when requested by Agency

Staff members.

10. Coordinate work with the customers and will keep the City's or its designated representative informed of all the daily activities;

11. Obtain and maintain, at its own expense, all necessary licenses and permits, including but not limited to those required by City, county, state, and federal governments to perform the services contemplated by this Agreement;

12. Perform all services and prepare all work products required by this Agreement in a first-class manner and shall conform to the highest and best professional standards of quality observed by a person practicing in Consultant's profession;

13. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

ARTICLE 2 - DUTIES OF AGENCY

The Agency hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

ARTICLE 3 – COMPENSATION

1. Consultant shall be compensated for work faithfully performed an amount not to exceed one hundred and twenty-five thousand dollars ($125,000). Agency agrees that Consultant shall be paid pursuant to the following fee schedule:

TYPE OF SERVICE	COST/ESTIMATE
Annual Services (times two years)	
TI Projection	$7,500
Annual Cash Flow	$3,500
HCD Report	$5,000
State Controller Report	$3,500
Calculate Tax Sharing/Pass Through	$6,500
Statements of Indebtedness	$5,500

Other Reports	$6,500
Contingency	$2,000
<u>One Time Services</u>	
Housing Compliance	$25,000
Implementation Plan	$20,000

and at the following hourly rate:

PERSONNEL	**HOURLY RATE**
Diane Hadland/President	$150
Administrative/Analyst	$55

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) Agency agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Agency and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. Consultant agrees that, should work be performed outside the scope of services without the prior written approval of the Agency, such work shall be deemed to be a gratuitous effort on the part of Consultant, and Consultant shall have no claim against the Agency for reimbursement.

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ARTICLE 4 – TERM

The term of this Agreement shall be for a period of two years from the date of the Agency's execution.

ARTICLE 5 - TERMINATION

This Agreement shall be subject to termination by the Agency at its own discretion or if the Agency is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Agency Funds, if the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the Executive Director.

In the event of such termination, the Agency shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 3 of this Agreement.

ARTICLE 6 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by Agency, **Diane Hadland** shall be personally responsible for and supervise all matter assigned to it. Agency shall have the right to designate or reject the assignment of other employees or consultants associated with Consultant.

2. Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. Agency expressly relies on Consultant's representations regarding its skills, knowledge, and certifications. Consultant agrees to perform all work in accordance with generally accepted business practices and performance standards of the industry, including federal, state, and local operation and safety regulations.

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ARTICLE 7 - NO AGENCY RELATIONSHIP

No Agency relationship between Agency and Consultant is intended or created by this Agreement. Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Agency, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 8 - INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by City as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. Automobile Liability: **$1,000,000** per accident for bodily injury and

property damage.

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors and Omissions Liability; **$1,000,000** per claim.

a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the Agency, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability

arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the Agency.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Consultant shall furnish the Agency with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Agency or on other than the Agency's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

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Waiver of Subrogation

Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. Contractor/consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Agency for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

ARTICLE 9 - INDEMNIFICATION

Consultant shall indemnify and hold harmless the Agency and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Agency.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from Agency, shall defend Indemnitees at Consultant's expense by counsel acceptable to Agency, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by Consultant under this Article shall ensure

Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 10 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

Agency
Yvonne Horton,
Agency Secretary
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
Redevelopment Manager
Inglewood Redevelopment Agency
One Manchester Boulevard
Inglewood, California 90301

Consultant
Diane Hadland, President
110 Pine Avenue
Suite 340
Long Beach, California 90802

Agent For Service of Process
Diane E. Robbins
201 East F Street
Ontario, California 91762

Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify City in writing within ten (10) calendar days of its designation.

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Consultant under this Agreement are confidential and Consultant agrees that they shall not be made available to any individual or organization without prior written approval of Agency.

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of Consultant are material considerations for this Agreement. Agency has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of

Consultant's duties or obligations under this Agreement without the prior written consent of the Executive Director or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling Agency to any and all remedies at law or in equity, including summary termination of this Agreement. Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of Agency.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Consultant and Agency prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Agency of any work or

services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 - MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement

meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, Agency and Consultant have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

N:\JALEWIS\Contracts\(Redevelopment) - DHA Consulting 1.12.11.doc

DHA CONSULTING, LLC.

DIANE HADLAND,
President

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 11/18/2010

PRODUCER

DELGADO GROUP INC
31225 La Baya Dr., Ste 102
Westlake Village, CA 91362
(805) 495-2330

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Diane Hadland
DHA Consulting, LLC
110 PINE AVE SUITE 340
LONG BEACH, CA 90807

INSURER A: FARMERS INSURANCE EXCHANGE
INSURER B: UNITED FINANCIAL CASUALTY CO
INSURER C: PHILADELPHIA INDEMNITY INS CO
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	09407-99-39	07/22/10	07/22/11	EACH OCCURRENCE	$1,000,000
					FIRE DAMAGE (Any one fire)	$75,000
					MED EXP (Any one person)	$5,000
					PERSONAL & ADV INJURY	$1,000,000
					GENERAL AGGREGATE	$2,000,000
					PRODUCTS - COMP/OP AGG	$2,000,000
B	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS [X] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS	03641412-4	08/01/10	08/01/11	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
					OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$
					AGGREGATE	$
						$
						$
						$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTHER	
					E.L. EACH ACCIDENT	$
					E.L. DISEASE - EA EMPLOYEE	$
					E.L. DISEASE - POLICY LIMIT	$
	OTHER					
C	PROF. LIABILITY	PHSD 541583	08/27/10	08/27/11	$2,000,000/$2,500 DED.	

OK
CPS

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

*CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED FOR INSURER "A" & "B"
**10 DAYS NOTICE OF CANCELLATION FOR NON PAY OF PREMIUM

CERTIFICATE HOLDER [X] ADDITIONAL INSURED; INSURER LETTER: *

CITY OF INGLEWOOD
REDEVELOPMENT AGENCY
ATTN: SYLVIA BAKER
1 MANCHESTER BLVD 5TH FLR, #550
INGLEWOOD, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

11-078

CITY OF INGLEWOOD

SHORT FORM AGREEMENT

NO. SF-11-078

City of Inglewood
(Indicate whether City or name of the Agency).

THIS AGREEMENT is entered into this 3rd day of February, 20 11, by and between the CITY OF INGLEWOOD or any of its authorized agencies ("Inglewood") and Applied Best Practice ("Contractor/Consultant").

IN CONSIDERATION of the performance of their mutual covenants, the parties hereto agree as follows:

1. SERVICES. Contractor/Consultant agrees to perform the services included in its proposal attached hereto as Exhibit "A" and made a part hereof by this reference and/or to include the following:
Please see attached Exhibit "A", Fee Schedule on Exhibit "A"

2. TIME LIMIT. Said services shall be completed prior to Sept. 30 20 11, (or within _____ days after Notice to Proceed). Time is of the essence of this agreement.

3. AGENCY PRECLUDED. No agency affecting or binding Inglewood shall be created by virtue of this agreement. The Contractor/Consultant shall be acting at all times as an "independent contractor" and as such shall hold Inglewood harmless for any actions involving negligence or intentional tort on the part of the Contractor/Consultant.

4. COMPENSATION. Inglewood agrees to pay Contractor/Consultant the sum of $_____ upon completion of the herein designated services or (if not in one sum) payments of $_____ on _____ date(s) or in the alternative payments will be made as follows: _____
In no event shall the total compensation exceed the sum of $ 3,000.00

5. WORKMANLIKE MANNER. Contractor/Consultant agrees to perform all services herein in a workmanlike manner.

6. CHANGES. No change, amendment or modification to this agreement shall be effective unless it is in writing and signed by the parties hereto.

7. ADDITIONAL PROVISIONS. (If any) _____

ATTEST:

Yvonne Horton
CITY CLERK/SECRETARY

APPROVED AS TO FORM:

Carl P. Sandler
CITY ATTORNEY

NAME: Applied BestyPractices
ADDRESS: 19900 MacArthur Blvd., Ste. 1100
Irvine, CA 92612

SIGNATURE: _____
Contractor/Consultant (If corporation--officer's signature and title).

CITY OF INGLEWOOD, a municipal corporation
INGLEWOOD REDEVELOPMENT AGENCY
INGLEWOOD HOUSING AUTHORITY

BY _____
CITY ADMINISTRATOR

FUND	AGENCY	ORG	ACTIVITY	OBJ	SUB OBJ
001	099	9930	45099		

ACCOUNTING VERIFICATION BY: _____ DATE 3/7/11

11-103

AGREEMENT NO.: R-11-006/11-045

THIS AGREEMENT is made and entered into this 3rd day of May, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and KANE BALLMER & BERKMAN (hereinafter referred to as "Special Counsel,") with its principal place of business located at 515 S. Figueroa Street, Suite 1850, Los Angeles, California 90071, and covers work now in progress or that has previously been completed under the prior agreement which has no expiration date.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") is engaged in various litigation and transactional matters in which it is represented by Special Counsel; and

WHEREAS, the Owner is desirous of continuing this professional relationship; and

WHEREAS, Special Counsel is desirous of continuing to provide the Owner with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW, THEREFORE, the City, the Agency and Special Counsel, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and Special Counsel, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency under this

Agreement. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 2 - SCOPE OF SERVICES

Special Counsel agrees to render legal services to the Owner when and as requested by the Owner's Counsel and under his direction.

Legal services to be performed by Special Counsel under this Agreement may include, but are not limited to the rendering of legal advice and consultation, the drafting and preparation of necessary legal documents to effectuate the best interests of the Owner, and all appearances required by the court in litigation involving the Owner. Also, Special Counsel has the authority to retain experts and consultants, subject to the approval of Owner's Counsel, to assist it in the representation of Owner.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner shall provide Special Counsel with such information as is possessed by the Owner and which is normally supplied to attorneys performing such services.

ARTICLE 4 - RESPONSIBLE ATTORNEY

The Parties hereto agree that, unless otherwise specifically designated or agreed to by the Owner, **Royce K. Jones**, Esq., shall be personally responsible for and supervise all matters assigned to and handled by Special Counsel. The Owner shall have the right to designate other specific attorneys associated with Special Counsel to handle any particular matter or matters.

ARTICLE 5 - COMPENSATION

The Owner agrees to pay Special Counsel, for services faithfully rendered hereunder, at the following rates:

Senior Principal Level Associates ..... $200.00 per hour

Principals ..... $200.00 per hour

Principal Level Associates ..... $180.00 per hour

Senior Associates ..... $160.00 per hour
Associates ..... $140.00 per hour
Legal Assistant 1 ..... $90.00 per hour
Legal Assistant 2 ..... $60.00 per hour

However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement.

The total compensation provided for pursuant to this Agreement shall not exceed one hundred thousand dollars ($100,000). If additional funds are necessary for the provision of services as authorized pursuant to this Agreement, such additional funds must be approved by the Owner.

In addition to the hourly time charges, Special Counsel shall be reimbursed for expenses actually and necessarily incurred including, but not limited to photocopying, long distance telephone charges, facsimile communication charges, overnight courier services, postage, travel expenses, filing fees, hiring of experts and similar expenses customarily separately billed by Special Counsel to its clients. If such expenses are significant, Special Counsel may arrange for them to be billed directly to the Owner, if the expenses were authorized by the Owner's Counsel.

It is understood and agreed that Special Counsel is serving in a limited capacity to the Owner and only those services which the Owner's Counsel has authorized to be performed shall be compensable hereunder. Special Counsel shall invoice the Owner on a monthly basis for all work done and shall specify the number and dates of hours worked during the preceding month. Special Counsel shall certify on each invoice that it is entitled to receive the amounts requisitioned. Each invoice shall be in the form and number of copies requested by the Owner.

Payment shall be made as soon as practicable in the ordinary course of the Owner's business, after the Owner has approved the invoice for payment. Special

Counsel shall maintain proper records of the hours worked pursuant to this Agreement and such records shall be open at any reasonable time for inspection by the Owner.

ARTICLE 6 - INSURANCE REQUIREMENTS

Special Counsel shall provide and maintain, during the term of this Agreement, professional malpractice liability insurance in the amount of $1,000,000.00, as evidenced by a Certificate of Insurance. The Certificate of Insurance shall be filed with the Owner upon execution of this Agreement. The Certificate of Insurance shall be reviewed for approval by the Owner's Counsel or designee.

ARTICLE 7 - FINDINGS CONFIDENTIAL

All reports, documents, findings and conclusions, and any and all similar documents prepared or assembled by Special Counsel under this Agreement are confidential. Special Counsel agrees that no documents prepared or assembled by it under this Agreement shall be made available to any individual or organization without prior written approval of the Owner, unless required by law.

ARTICLE 8 - NON-ASSIGNABILITY

Special Counsel shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without prior written approval of the Owner.

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ARTICLE 9 - NOTICE

Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted, and deposited in the United States mail addressed to the respective Parties as follows:

Owner:
Cal P. Saunders, Esq.
Owner's Counsel
One Manchester Boulevard,
Suite 860
Inglewood, CA 90301-1750

Special Counsel:
Royce K. Jones, Esq.
Kane, Ballmer & Berkman
515 S. Figueroa Street,
Suite 1550
Los Angeles, CA 90071

With a Copy to:
Margarita Cruz, Redevelopment Manager
One Manchester Boulevard, Suite 450
Inglewood, CA 90301-1750

With a Copy to:
Yvonne Horton, City Clerk
One Manchester Boulevard,
Inglewood, CA 90301

ARTICLE 10 - EQUAL EMPLOYMENT OPPORTUNITY

Special Counsel agrees that during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability or national origin.

ARTICLE 11 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modifications to this Agreement shall be effective unless in writing and signed by authorized representatives of the Parties hereto.

ARTICLE 12 - TERMINATION

The Owner and Special Counsel agree that each shall have the right, at any time, to terminate this Agreement upon written notice to the other party. Any notice of termination shall be given in accord with the requirements of Article 9,

herein. Special Counsel, upon receipt of a written notice of termination, shall immediately cease to render additional services to the Owner. Such termination shall not, however, relieve the Owner of the obligation to pay the fees due for services rendered and costs incurred prior to such termination.

ARTICLE 13 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by Special Counsel shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 14 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

ARTICLE 15 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision

shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

ARTICLE 16 - MISCELLANEOUS

The Parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 17 - ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

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

CITY OF INGLEWOOD

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
City Clerk

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

KANE, BALLMER & BERKMAN

Royce K. Jones, Esq.,
Special Counsel

INGLEWOOD REDEVELOPMENT AGENCY

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
Agency Secretary

APPROVED AS TO FORM:

Cal P. Saunders,
Agency Counsel

N:\AGREEMENTS\IRA\(Redev\Agreement) - Kane Ballmer & Berkman - 2011.doc

CERTIFICATE OF LIABILITY INSURANCE

OP ID DV
KANEB-1

DATE (MM/DD/YYYY)
07/29/10

PRODUCER
Marvel Associates, Inc.
641 W. Las Tunas Drive
PO Box 1509
San Gabriel CA 91776
Phone: 626-943-2200 Fax: 626-299-1010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Kane, Ballmer & Berkman, A Law Corporation
515 S. Figueroa St., Ste. 1850
Los Angeles, CA 90071

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Travelers Casualty Insurance	19046
INSURER B:	Travelers Property Casualty	25674
INSURER C:	AXIS Insurance Company	37273
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE / X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC	680-7364N316	08/01/10	08/01/11	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 305,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B B		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	BA-7580N93A BA-7580N93A	08/01/10 08/01/10	08/01/11 08/01/11	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
B		EXCESS / UMBRELLA LIABILITY X OCCUR / CLAIMS MADE DEDUCTIBLE RETENTION $	CUP-8312N97A	08/01/10	08/01/11	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $ 1,000,000 $ $ $
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	UB-4752L120	08/01/10	08/01/11	X WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
C		OTHER Professional Liab.	MLN 733308/01/2010	08/01/10	08/02/11	Ea. Claim Aggregate	$2,000,000 $2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
+10 Day Notice of Cancellation in the event of Non-Payment of premium.

CERTIFICATE HOLDER

PROOF-3

PROOF OF COVERAGE ONLY

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30+ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2009/01)

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Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: May 3, 2011

TO: Mayor and Council Members
Redevelopment Agency

FROM: Agency Counsel
City Attorney

SUBJECT: Request to Approve Agreement with Kane Ballmer & Berkman to Provide Legal Services to the Inglewood Redevelopment Agency and City of Inglewood

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RECOMMENDATION

It is recommended that the Chairman and Agency Members and the Mayor and Council Members approve an Agreement with Kane Ballmer & Berkman to provide legal advice and legal representation for the Inglewood Redevelopment Agency and the City of Inglewood, regarding redevelopment matters. This contract covers work in progress, work that has been performed and work in the future. The contract amount is $100,000.

BACKGROUND INFORMATION

Kane Ballmer & Berkman has been handling a number of redevelopment matters for the Inglewood Redevelopment Agency for a few years. They provided advice regarding the plans for and legal issues surrounding the planned construction of the Senior Center and a host of other redevelopment matters. There is a need to continue to utilize their services in connection with redevelopment matters which require specialized legal knowledge.

DISCUSSION

During the past few years, Kane Ballmer & Berkman and their highly competent legal staff have represented the Inglewood Redevelopment Agency and provided legal advice. Their services are very important because the City of Inglewood has a small team of attorneys in the City Attorney's Office.

The demands of ongoing litigation require that the City of Inglewood get the best legal advice that is necessary to protect its legal interests. The Office of City Attorney advises the City Council and all city departments on a day to day basis. It is necessary to retain outside legal counsel to represent the City in redevelopment matters.

A-3 & R-5

The decision to retain outside legal counsel is very important because of the specialized knowledge required in many cases facing the city. While on the surface it seems that the money being spent on outside legal counsel is large, the consequences of not hiring the best legal counsel available can be much more expensive.

ADDITIONAL CONSIDERATIONS
None at this time.

FINANCIAL/FUNDING ISSUES AND SOURCES
Contract Services-Comm Dev & HSG 160-030-3040-44830

DESCRIPTION OF ANY ATTACHMENTS
Amendment to the Agreement.

LEGAL REVIEW VERIFICATION CPS
This report, in its entirety, has been submitted, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted, reviewed and approved by the Finance Department.

PREPARED BY:
Cal P. Saunders, City Attorney

COUNCIL PRESENTER:
Cal P. Saunders, City Attorney

PROOFREAD FOR ACCURACY: CPS

11-105

AGREEMENT NO.: 11-073/R-11-011

THIS AGREEMENT is made and entered into this _____ day of _____, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and TETRA TECH INC., a Delaware Corporation, (hereinafter referred to as the "Consultant"), with its principal place of business at 3475 East Foothill Boulevard, Suite 200, Pasadena, California 91107-6024.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desires professional Phase 1 and 2 environmental consulting services assistance and site assessment assistance; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City and the Agency and the Consultant (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3, 2010 (**EXCLUDING: 1. Lead Based Paint Survey and Abatement; 2. Asbestos**

Surveys and Management Plans; 3. Asbestos Abatement and 4. Third-Party Oversight and Specification Preparation);

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or its designated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on the Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Meet all the applicable requirements of the following: REA (Registered Environmental Assessor Program), ACSM (American Congress on Surveying and Mapping, 1999) CAL OSHA (Occupational Safety & Health Administration), DCA (California Department of Consumer Affairs), RG (Registered Geologist), FEMA (Federal Emergency Management Agency), PE (Professional Engineer), GPS (Global Positioning System), CHG (Certified Hydro Geologist), ASTM (American Standards Test Method), CAL H & S (California Health & Safety Code), CFR (Code of Federal Regulation), CAL LABOR CODE (Sections 1777.5, 1770 thru 1776 & all pertinent related sections), AQMD (South Coast Air Quality Management District);

7. Identify (Phase One - Environmental Site Assessment) environmental concerns attributed to current and past property uses, and to determine liability and business risk related to environmental issues on a property;

8. Conduct Phase I ESA in accordance with the current American Standards Test Method (ASTM) E1527-05 standard and the EPA All Appropriate Inquiry (AAI) rule. The quality and reliability of a Phase I ESA report depends on the knowledge, experience and thoroughness of the scientist conducting the assessment;

9. Comply with ASTM standards currently in place. They typically include the following steps listed below. On-site visual inspection of the subject property;

10. Visually inspect adjacent properties, as viewed from the subject site and public property;

11. Review available geological documentation;

12. Review federal, state and local regulatory databases to identify reported environmental conditions associated with the Subject Property and surrounding properties;

13. Review available historical documents including aerial photographs, fire insurance maps and city directories, to assist in determining past uses of the subject site;

14. Perform a historical chain-of-title review to determine past ownership of the site;

15. Interview current and past property owners and occupants, and local government officials, regarding uses of the property and known environmental issues;

16. Submit a report presenting the assessment findings, recommendations and all references/sources of information;

17. Maintain an up to date knowledge regarding any changes to the ASTM standards over the term of the contract;

18. Perform Phase II Environmental Site Assessments (ESA) which typically involves the collection and laboratory analysis of soil, surface water and/or groundwater samples to confirm the presence and extent of chemical contamination on a property. The scope of a Phase II ESA is often based on the findings of a Phase I ESA, or interim response to a spill/release of contaminants;

19. Be experienced in multi-media sampling techniques, including subsurface investigation through soil boring advancement, monitoring well installation, and ground-penetrating radar survey;

20. Agree that the Owner has a crucial interest in obtaining accurate and

straightforward information regarding the environmental condition of a property in order to make incisive decisions regarding property assets, therefore the Consultant shall place great emphasis on presenting all analytical data, findings and recommendations in a technically sound, concise and easy to understand report format to ensure that the Owner fully understands the findings;

21. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

22. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

23. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified professional staff shall sign all final reports and recommendations;

24. Ensure that all final documents include a certification stating that "the

review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

25. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

26. Obtain and maintain, at its own expense, all necessary licenses and permits, including but not limited to those required by City, county, state, and federal governments to perform the services contemplated by this Agreement;

27. Take great pride in its exhaustive attention to detail that often exceeds the industry standard, which provides the Owner with confidence when making property acquisition/transaction decisions;

28. Agree that it is aware that there is no guarantee that the Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

29. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and

shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Consultant. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

TETRA TECH INC.

CATEGORY	RATE/HOUR
Group Manager, Geologist	$195
Director, Engineer	$170
Principal Engineer	$165
Principal Risk Assessor	$165
Project Manager, CIH, CAC	$125
Certified Industrial Hygienist	$150

Program Manager	$150
Principal Geologist	$143
Senior Engineer	$130
Senior Geologist	$130
Senior Scientist	$125
Hazardous Materials Engineer	$120
Senior Environmental Scientist	$105
Project Scientist	$98
GIS Specialist	$90
Compliance Scientist	$90
Project Geologist	$85
CAC, Lead Inspector	$75
Project Scientist	$85
Staff Scientist	$80
CADD Operator	$77
Due Diligence Scientist	$72
Environmental Engineer	$70
Environmental Scientist	$67
Environmental Technician	$64
Word Processor	$60
Clerk	$55

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by the Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. The Consultant agrees that, should work be performed outside the scope of services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, 90 days prior to the termination of this Agreement and at the Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Owner Funds, if the Consultant violates any material provisions.of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the Owner shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **Robert Kurkjian** shall be personally

responsible for and supervise all matter assigned to it. The Owner shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant shall take great pride in its exhaustive attention to detail that often exceeds the industry standard, which provides the Owner with confidence when making property acquisition/transaction decisions.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

The Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

The Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage.

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors and Omissions Liability; **$1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

   c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

   d. A copy of the claims reporting requirements must be submitted to the City for review.

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Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

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Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. The Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Owner for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses

including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz,
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
Robert Kurkjian, Principal Scientist
Tetra Tech, Inc.
3475 East Foothill Boulevard
Suite 200
Pasadena, California 91107-6024

Agent For Service of Process
CT Corporation System (Tetra)
818 West 7th Street
Los Angeles, California 90017

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

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ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

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ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, the City, the Agency and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

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TETRA TECH, INC.

DAVID LIU,
Vice-President

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY9
4/20/2011

CITY OF INGLEWOOD
2011 JUN 20 AM 9:41

Aon Risk Insurance Services West, Inc.
707 Wilshire Blvd., Ste. 2600
Los Angeles, CA 90017
License No. 0363334
Attn: Ann Whisenhunt
Phone: 213-630-3270 Fax: 847-953-0574
Email: ann.whisenhunt@aon.com

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A	National Union Fire Insurance Company of Pittsburgh, PA
COMPANY B	Insurance Company of the State of Pennsylvania
COMPANY C	Lexington Insurance Company
COMPANY D	Chartis Specialty Insurance Company

INSURED
Tetra Tech, Inc.
3475 E. Foothill Blvd.
Pasadena, CA 91107

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTHWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. LIMITS SHOWN ARE AS REQUESTED.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR OWNER'S & CONTRACTOR'S PROT X Contractual Liability X X,C,U Coverage	GL 458 15 61	10/01/2010	10/01/2011	GENERAL AGGREGATE PRODUCTS – COMP/OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person)	$ 2,000,000 $ 2,000,000 $ 1,000,000 $ 1,000,000 $ 1,000,000 $ 10,000
	X Gen'l Aggregate Limit Applies: Per Project/Per Loc					
A	AUTOMOBILE LIABILITY X ANY AUTO X ALL OWNED AUTOS SCHUDULE AUTOS X HIRED AUTOS X NON-OWNED AUTOS	CA 826 36 72	10/01/2010	10/01/2011	COMBINED SINGLE LIMIT BODILY INJURY (Per accident) BODILY INJURY (Per accident) PROPERTY DAMAGE	$ 2,000,000 $ $ $
	GARAGE LIABILITY ANY AUTO	OK CPS			AUTO ONLY – EA ACCIDENT OTHER THAN AUTO ONLY: EACH ACCIDENT	$ $
C	EXCESS LIABILITY UMBRELLA FORM X OTHER THAN UMBRELLA FORM X Occurrence	62785232	10/01/2010	10/01/2011	EACH OCCURRENCE AGGREGATE	$ 5,000,000 $ 5,000,000 $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Includes US Longshoremen & Harbor Workers' Compensation Act THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: INCL / EXCL	WC 1477 08 06	10/01/2010	10/01/2011	X WC STATUTORY LIMIT / OTHER EL EACJ ACCIDENT EL DISEASE - POLICY LIMIT EL DISEASE – EA EMPLOYEE	$ 1,000,000 $ 1,000,000 $ 1,000,000
D	X OTHER Professional Liability and Contractor's Pollution Liability Retroactive Date: 2/04/1988	COPS 1952583	10/01/2010	10/01/2011	Each Claim Aggregate	$5,000,000 $5,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEM *Stop Gap for States of OH, WA, WY*

Reference: Environmental Services – City of Inglewood
The Inglewood Redevelopment Agency, the City of Inglewood, its officers, officials, employees and volunteers are included as additional insured under the General Liability and Automobile Liability policies as required by written contract. waiver of Subrogation is included under the Commercial General Liability, Automobile Liability, Professional Liability, and Workers' Compensation policies as required by written contract.

CERTIFICATE HOLDER

City of Inglewood
and the Inglewood Redevelopment Agency
One Manchester Boulevard
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Aon Risk Insurance Services West, Inc.

© ACORD CORPORATION 1988

11-107

AGREEMENT NO.: 11-075/R11-013

THIS AGREEMENT is made and entered into this 7th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and WINZLER & KELLY, a California Corporation, (hereinafter referred to as the "Consultant") with its principal place of business at 633 Third Street, Eureka, California 95501.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional consulting services to perform lead base paint and asbestos environmental site assessment; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, provide professional opinions regarding liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal 0030; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City, the Agency and the Consultant, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3,

2010 **(EXCLUDING: 1. Phase One – Environmental Site Assessment; and 2. Phase 2 ESA – Sampling and Remediation)**, incorporated herein by this reference;

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or its designated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on the Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Include the collection of bulk (paint chip) samples and monitoring of airborne lead concentrations performed by certified Lead Risk Assessors trained and experienced in assessment methodology;

7. Be and/or use Lead Risk Assessors who are certified to conduct lead inspections per applicable Federal, State, and/or municipal requirements. The Consultant shall also include State of California certified Lead Workers licensed to conduct lead hazard abatement/removal;

8. Monitor on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications;

9. Be trained, including his assistant, and experienced in survey protocol and sampling methodologies per EPA AHERA and NESHAP regulations;

10. Develop effective asbestos management plans for residential, industrial and/or commercial facilities as each site warrants;

11. Monitor on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications. All work shall be performed in a professional, safe manner and in accordance with Cal-OSHA guidelines;

12. Endeavor to achieve completion of a cost-effective asbestos/lead paint abatement project completed on time and in accordance with federal, state and local regulations;

13. Agree to be a responsible advocate on behalf of the Owner;

14. Provide Project specification documents and third-party oversight during the abatement phase of an abatement/demolition project(s). Pre-project management includes development of a detailed scope of work, procedural specifications, abatement schedules, and contractor bidding documents. Project oversight typically includes monitoring contractor's activities, documentation of removal activities and performing air-monitoring and sample analysis as required by regulatory agencies;

15. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

16. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

17. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health

Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified professional staff shall sign all final reports and recommendations;

18. Ensure that all final documents include a certification stating that "the review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

19. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

20. Obtain and maintain, at its own expense, all necessary licenses and permits, including but not limited to those required by City, county, state, and federal governments to perform the services contemplated by this Agreement;

21. Perform all work in a professional, safe manner and in accordance with Cal-OSHA guidelines;

22. Agree that it is aware that there is no guarantee that Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

23. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

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ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Consultant. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

WINZLER & KELLY

CATEGORY	RATE/HOUR
Managing Principal/Client Manager	$150

Certified Industrial Hygienist	$135
Project Manager	$115
Certified Asbestos Consultant/LBP Project Designer	$75
Certified Site Surveillance Technician	$65
CDPH LBP Inspector/Project Monitor	$65
Computer Aided Drafter (CAD)	$70
Administrative Support	$40
On-site Asbestos Air Sample Analysis via PCM	Include in Hr Rate
Asbestos Bulk Sample Analysis (PLM)	$8.50/sample
Asbestos Bulk Sample Analysis (PLM) – Rush	$12/sample
Lead Air/dust-wipe/paint Chip/soil Sample Analysis (AA or ICP)	$10/sample
Lead Air/dust-wipe/paint Chip/soil Sample Analysis (AA or ICP) – Rush	$13/sample
TTLC – 48 hour TAT	$20/sample
STLC – 72 hour TAT	$55/sample
TCLP – 72 hour TAT	$55/sample
XRF Source Deterioration Fee	Include in Hr Rate
TEM AHERA Asbestos Air Analysis	$60/sample
TEM AHERA Asbestos Air Analysis – Rush	$90/sample
Point Counting Asbestos Analysis (1,000pt.)	$50/sample
Point Counting Asbestos Analysis (1,000 pt.) – Rush	$80/sample
Non-Viable Mold Analysis	$50/sample
Direct Reading Moisture Meter	Include in Hr Rate

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by the Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) The City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. The Consultant agrees that, should work be performed outside the Scope of Services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, 90 days prior to the termination of this Agreement and at Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Owner Funds, if the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the Owner shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

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ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **Jeffrey M. Cooper, P.E.** shall be personally responsible for and supervise all matter assigned to it. The Owner shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant agrees to perform all work in a professional, safe manner and in accordance with Cal-OSHA guidelines, including federal, state, and local operation and safety regulations.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

The Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

The Consultant shall maintain no less than:

1. **General Liability:** **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. **Automobile Liability:** **$1,000,000** per accident for bodily injury and property damage.

3. **Employer's Liability:** **$1,000,000** per accident for bodily injury or disease.

4. **Errors and Omissions Liability; $1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

   c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the

additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. The Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Owner for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

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ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
Jerry Sherman, Principal
Winzler & Kelly
400 North Tustin Avenue
Suite 230
Santa Ana, California 92706

Agent For Service of Process
Iver A. Skavdal (Winzler)
495 Tesconi Circle
Santa Rosa, California 95401

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any

attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this

Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall

be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, the City the Agency and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

WINZLER & KELLY

JEFFREY M. COOPER, P.E.
Managing Principal

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\JALEWIS\Contracts\Redevelopment\ - Winzler & Kelly Lead and Asbestos Draft 1.11.doc

Client#: 721 WINZLKELL

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 05/31/11

PRODUCER
Dealey, Renton & Associates
P. O. Box 12675
Oakland, CA 94604-2675
510 465-3090 David C. Eckman

2011 JUN 20 AM 9:40

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Winzler & Kelly
633 Third Street
Eureka, CA 95501-0417

INSURERS AFFORDING COVERAGE
INSURER A: Travelers Property Casualty Co of Am
INSURER B: American Automobile Ins. Co.
INSURER C: XL Specialty Insurance Co.
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	6804531X521	03/01/11	03/01/12	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	$1,000,000
	CLAIMS MADE X OCCUR				MED EXP (Any one person)	$10,000
					PERSONAL & ADV INJURY	$1,000,000
					GENERAL AGGREGATE	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC				PRODUCTS -COMP/OP AGG	$2,000,000
A	AUTOMOBILE LIABILITY	BA4554X895	03/01/11	03/01/12	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO					
	ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	SCHEDULED AUTOS					
	X HIRED AUTOS				BODILY INJURY (Per accident)	$
	X NON-OWNED AUTOS					
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS LIABILITY		OK	CRS	EACH OCCURRENCE	$
	OCCUR CLAIMS MADE				AGGREGATE	$
						$
	DEDUCTIBLE					$
	RETENTION $					$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WZP80983923	07/01/10	07/01/11	X WC STATU-TORY LIMITS OTH-ER	
					E.L. EACH ACCIDENT	$1,000,000
					E.L. DISEASE - EA EMPLOYEE	$1,000,000
					E.L. DISEASE - POLICY LIMIT	$1,000,000
C	OTHER Professional & Contractor's Pollution Liab.	DPR9692228	03/01/11	03/01/12	$2,000,000 per Claim $2,000,000 Anni Aggr.	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

GENERAL LIABILITY POLICY EXCLUDES CLAIMS ARISING OUT OF THE PERFORMANCE OF PROFESSIONAL SERVICES.
REF: RFP-0030 Environmental Consultant.

(See Attached Descriptions)

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

City of Inglewood
Office of the City Clerk
1st Floor City Hall
One Manchester Blvd.
Inglewood, CA 90301

CANCELLATION Ten Day Notice for Non-Payment of Premium

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~NOT~~ TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

DESCRIPTIONS (Continued from Page 1)

GENERAL LIABILITY/AUTOMOBILE LIABILITY ADDITIONAL INSURED: City of Inglewood, its officials, employees, and agents.

Primary insurance and severability of interests apply per policy form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to **WHO IS AN INSURED (Section II):**

Any person or organization that you agree in a "contract or agreement requiring insurance" to include as an additional insured on this Coverage Part, but only with respect to liability for "bodily injury", "property damage" or "personal injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

a. In the performance of your ongoing operations;

b. In connection with premises owned by or rented to you; or

c. In connection with "your work" and included within the "products-completed operations hazard".

Such person or organization does not qualify as an additional insured for "bodily injury", "property damage" or "personal injury" for which that person or organization has assumed liability in a contract or agreement.

The insurance provided to such additional insured is limited as follows:

d. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this Coverage Part.

e. This insurance does not apply to the rendering of or failure to render any "professional services".

f. The limits of insurance afforded to the additional insured shall be the limits which you agreed in that "contract or agreement requiring insurance" to provide for that additional insured, or the limits shown in the Declarations for this Coverage Part, whichever are less. This endorsement does not increase the limits of insurance stated in the **LIMITS OF INSURANCE (Section III)** for this Coverage Part.

B. The following is added to Paragraph **a.** of **4. Other Insurance** in **COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):**

However, if you specifically agree in a "contract or agreement requiring insurance" that the insurance provided to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with the other insurance, provided that:

(1) The "bodily injury" or "property damage" for which coverage is sought occurs; and

(2) The "personal injury" for which coverage is sought arises out of an offense committed;

after you have entered into that "contract or agreement requiring insurance". But this insurance still is excess over valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured under any other insurance.

C. The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** in **COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):**

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal injury" arising out of "your work" performed by you, or on your behalf, under a "contract or agreement requiring insurance" with that person or organization. We waive these rights only where you have agreed to do so as part of the "contract or agreement requiring insurance" with such person or organization entered into by you before, and in effect when, the "bodily

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injury" or "property damage" occurs, or the "personal injury" offense is committed.

D. The following definition is added to **DEFINITIONS (Section V):**

"Contract or agreement requiring insurance" means that part of any contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs, and the "personal injury" is caused by an offense committed:

a. After you have entered into that contract or agreement;

b. While that part of the contract or agreement is in effect; and

c. Before the end of the policy period.

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Named Insured: Winzler & Kelly
Policy Number: BA4554X895
Policy Period: 03/01/11 to 03/01/12

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO COVERAGE PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. PERSONAL EFFECTS COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following:

Personal Effects Coverage

We will pay up to $400 for "loss" to wearing apparel and other personal effects which are:

(1) owned by an "insured"; and

(2) in or on your covered "auto";

in the event of a total theft "loss" of your covered "auto".

No deductibles apply to Personal Effects Coverage.

B. AUTO LOAN LEASE GAP COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following:

Auto Loan Lease Gap Coverage for Private Passenger Type Vehicles

In the event of a total "loss" to a covered "auto" of the private passenger type shown in the Schedule or Declarations for which Physical Damage Coverage is provided, we will pay any unpaid amount due on the lease or loan for such covered "auto" less the following:

(1) The amount paid under the Physical Damage Coverage Section of the policy for that "auto"; and

(2) Any:

(a) Overdue lease/loan payments at the time of the "loss";

(b) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;

(c) Security deposits not returned by the lessor;

(d) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and

(e) Carry-over balances from previous loans or leases.

C. COVERAGE EXTENSION – AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT NOT DESIGNED SOLELY FOR THE PRODUCTION OF SOUND

SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions, exception paragraph **a.** to exclusions **4.c & 4.d** is deleted and replaced with the following:

a. Equipment and accessories used with such equipment, except tapes, records or discs, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or

D. WAIVER OF DEDUCTIBLE – GLASS

SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

E. HIRED AUTO PHYSICAL DAMAGE COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following:

Hired Auto Physical Damage Coverage Extension

If hired "autos" are covered "autos" for Liability Coverage and this policy also provides Physical Damage Coverage for an owned "auto", then the

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Physical Damage Coverage is extended to "autos" that you hire, rent or borrow subject to the following:

(1) The most we will pay for "loss" in any one "accident" to a hired, rented or borrowed "auto" is the lesser of:

(a) $50,000;

(b) The actual cash value of the damaged or stolen property as of the time of the "loss"; or

(c) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

(2) An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

(3) If a repair or replacement results in better than like kind or quality, we will not pay for the amount of betterment.

(4) A deductible equal to the highest Physical Damage deductible applicable to any owned covered "auto".

(5) This Coverage Extension does not apply to:

(a) Any "auto" that is hired, rented or borrowed with a driver; or

(b) Any "auto" that is hired, rented or borrowed from your "employee".

F. BLANKET WAIVER OF SUBROGATION

SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us is deleted and replaced by the following:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

G. BLANKET ADDITIONAL INSURED

SECTION II – LIABILITY COVERAGE, part **A. 1. Who Is An Insured**, paragraph **c.** is amended by adding the following:

Any person or organization that you are required to include as an additional insured on this Coverage Form in a written contract or agreement that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

H. EMPLOYEE HIRED AUTOS

SECTION II – LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured is amended by adding the following:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

I. COVERAGE EXTENSION – TRAILERS

SECTION I – COVERED AUTOS, C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos, paragraph **1.** is deleted and replaced by the following:

1. "Trailers" with a load capacity of 3,000 pounds or less designed primarily for travel on public roads.

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11-107

AGREEMENT NO.: 11-075/R11-013

THIS AGREEMENT is made and entered into this 7th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and WINZLER & KELLY, a California Corporation, (hereinafter referred to as the "Consultant") with its principal place of business at 633 Third Street, Eureka, California 95501.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional consulting services to perform lead base paint and asbestos environmental site assessment; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, provide professional opinions regarding liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal 0030; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City, the Agency and the Consultant, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3,

2010 **(EXCLUDING: 1. Phase One – Environmental Site Assessment; and 2. Phase 2 ESA – Sampling and Remediation)**, incorporated herein by this reference;

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or its designated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on the Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Include the collection of bulk (paint chip) samples and monitoring of airborne lead concentrations performed by certified Lead Risk Assessors trained and experienced in assessment methodology;

7. Be and/or use Lead Risk Assessors who are certified to conduct lead inspections per applicable Federal, State, and/or municipal requirements. The Consultant shall also include State of California certified Lead Workers licensed to conduct lead hazard abatement/removal;

8. Monitor on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications;

9. Be trained, including his assistant, and experienced in survey protocol and sampling methodologies per EPA AHERA and NESHAP regulations;

10. Develop effective asbestos management plans for residential, industrial and/or commercial facilities as each site warrants;

11. Monitor on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications. All work shall be performed in a professional, safe manner and in accordance with Cal-OSHA guidelines;

12. Endeavor to achieve completion of a cost-effective asbestos/lead paint abatement project completed on time and in accordance with federal, state and local regulations;

13. Agree to be a responsible advocate on behalf of the Owner;

14. Provide Project specification documents and third-party oversight during the abatement phase of an abatement/demolition project(s). Pre-project management includes development of a detailed scope of work, procedural specifications, abatement schedules, and contractor bidding documents. Project oversight typically includes monitoring contractor's activities, documentation of removal activities and performing air-monitoring and sample analysis as required by regulatory agencies;

15. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

16. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

17. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health

Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified professional staff shall sign all final reports and recommendations;

18. Ensure that all final documents include a certification stating that "the review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

19. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

20. Obtain and maintain, at its own expense, all necessary licenses and permits, including but not limited to those required by City, county, state, and federal governments to perform the services contemplated by this Agreement;

21. Perform all work in a professional, safe manner and in accordance with Cal-OSHA guidelines;

22. Agree that it is aware that there is no guarantee that Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

23. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

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ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Consultant. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

WINZLER & KELLY

CATEGORY	RATE/HOUR
Managing Principal/Client Manager	$150

Certified Industrial Hygienist	$135
Project Manager	$115
Certified Asbestos Consultant/LBP Project Designer	$75
Certified Site Surveillance Technician	$65
CDPH LBP Inspector/Project Monitor	$65
Computer Aided Drafter (CAD)	$70
Administrative Support	$40
On-site Asbestos Air Sample Analysis via PCM	Include in Hr Rate
Asbestos Bulk Sample Analysis (PLM)	$8.50/sample
Asbestos Bulk Sample Analysis (PLM) – Rush	$12/sample
Lead Air/dust-wipe/paint Chip/soil Sample Analysis (AA or ICP)	$10/sample
Lead Air/dust-wipe/paint Chip/soil Sample Analysis (AA or ICP) – Rush	$13/sample
TTLC – 48 hour TAT	$20/sample
STLC – 72 hour TAT	$55/sample
TCLP – 72 hour TAT	$55/sample
XRF Source Deterioration Fee	Include in Hr Rate
TEM AHERA Asbestos Air Analysis	$60/sample
TEM AHERA Asbestos Air Analysis – Rush	$90/sample
Point Counting Asbestos Analysis (1,000pt.)	$50/sample
Point Counting Asbestos Analysis (1,000 pt.) – Rush	$80/sample
Non-Viable Mold Analysis	$50/sample
Direct Reading Moisture Meter	Include in Hr Rate

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by the Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) The City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. The Consultant agrees that, should work be performed outside the Scope of Services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, 90 days prior to the termination of this Agreement and at Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Owner Funds, if the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the Owner shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

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ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **Jeffrey M. Cooper, P.E.** shall be personally responsible for and supervise all matter assigned to it. The Owner shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant agrees to perform all work in a professional, safe manner and in accordance with Cal-OSHA guidelines, including federal, state, and local operation and safety regulations.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

The Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

The Consultant shall maintain no less than:

1. **General Liability:** **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. **Automobile Liability:** **$1,000,000** per accident for bodily injury and property damage.

3. **Employer's Liability:** **$1,000,000** per accident for bodily injury or disease.

4. **Errors and Omissions Liability; $1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

   c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the

additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. The Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Owner for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

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ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
Jerry Sherman, Principal
Winzler & Kelly
400 North Tustin Avenue
Suite 230
Santa Ana, California 92706

Agent For Service of Process
Iver A. Skavdal (Winzler)
495 Tesconi Circle
Santa Rosa, California 95401

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any

attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this

Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall

be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, the City the Agency and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

WINZLER & KELLY

JEFFREY M. COOPER, P.E.
Managing Principal

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\JALEWIS\Contracts\Redevelopment\ - Winzler & Kelly Lead and Asbestos Draft 1.11.doc

Client#: 721 WINZLKELL

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 05/31/11

PRODUCER
Dealey, Renton & Associates
P. O. Box 12675
Oakland, CA 94604-2675
510 465-3090 David C. Eckman

2011 JUN 20 AM 9:40

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Winzler & Kelly
633 Third Street
Eureka, CA 95501-0417

INSURERS AFFORDING COVERAGE
INSURER A: Travelers Property Casualty Co of Am
INSURER B: American Automobile Ins. Co.
INSURER C: XL Specialty Insurance Co.
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	6804531X521	03/01/11	03/01/12	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	$1,000,000
	CLAIMS MADE X OCCUR				MED EXP (Any one person)	$10,000
					PERSONAL & ADV INJURY	$1,000,000
					GENERAL AGGREGATE	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC				PRODUCTS -COMP/OP AGG	$2,000,000
A	AUTOMOBILE LIABILITY	BA4554X895	03/01/11	03/01/12	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO					
	ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	SCHEDULED AUTOS					
	X HIRED AUTOS				BODILY INJURY (Per accident)	$
	X NON-OWNED AUTOS					
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS LIABILITY		OK	CRS	EACH OCCURRENCE	$
	OCCUR CLAIMS MADE				AGGREGATE	$
						$
	DEDUCTIBLE					$
	RETENTION $					$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WZP80983923	07/01/10	07/01/11	X WC STATU-TORY LIMITS OTH-ER	
					E.L. EACH ACCIDENT	$1,000,000
					E.L. DISEASE - EA EMPLOYEE	$1,000,000
					E.L. DISEASE - POLICY LIMIT	$1,000,000
C	OTHER Professional & Contractor's Pollution Liab.	DPR9692228	03/01/11	03/01/12	$2,000,000 per Claim $2,000,000 Anni Aggr.	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

GENERAL LIABILITY POLICY EXCLUDES CLAIMS ARISING OUT OF THE PERFORMANCE OF PROFESSIONAL SERVICES.
REF: RFP-0030 Environmental Consultant.

(See Attached Descriptions)

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

City of Inglewood
Office of the City Clerk
1st Floor City Hall
One Manchester Blvd.
Inglewood, CA 90301

CANCELLATION Ten Day Notice for Non-Payment of Premium

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~NOT~~ TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

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DESCRIPTIONS (Continued from Page 1)

GENERAL LIABILITY/AUTOMOBILE LIABILITY ADDITIONAL INSURED: City of Inglewood, its officials, employees, and agents.

Primary insurance and severability of interests apply per policy form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to **WHO IS AN INSURED (Section II):**

Any person or organization that you agree in a "contract or agreement requiring insurance" to include as an additional insured on this Coverage Part, but only with respect to liability for "bodily injury", "property damage" or "personal injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

a. In the performance of your ongoing operations;

b. In connection with premises owned by or rented to you; or

c. In connection with "your work" and included within the "products-completed operations hazard".

Such person or organization does not qualify as an additional insured for "bodily injury", "property damage" or "personal injury" for which that person or organization has assumed liability in a contract or agreement.

The insurance provided to such additional insured is limited as follows:

d. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this Coverage Part.

e. This insurance does not apply to the rendering of or failure to render any "professional services".

f. The limits of insurance afforded to the additional insured shall be the limits which you agreed in that "contract or agreement requiring insurance" to provide for that additional insured, or the limits shown in the Declarations for this Coverage Part, whichever are less. This endorsement does not increase the limits of insurance stated in the **LIMITS OF INSURANCE (Section III)** for this Coverage Part.

B. The following is added to Paragraph **a.** of **4. Other Insurance** in **COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):**

However, if you specifically agree in a "contract or agreement requiring insurance" that the insurance provided to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with the other insurance, provided that:

(1) The "bodily injury" or "property damage" for which coverage is sought occurs; and

(2) The "personal injury" for which coverage is sought arises out of an offense committed;

after you have entered into that "contract or agreement requiring insurance". But this insurance still is excess over valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured under any other insurance.

C. The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** in **COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):**

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal injury" arising out of "your work" performed by you, or on your behalf, under a "contract or agreement requiring insurance" with that person or organization. We waive these rights only where you have agreed to do so as part of the "contract or agreement requiring insurance" with such person or organization entered into by you before, and in effect when, the "bodily

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injury" or "property damage" occurs, or the "personal injury" offense is committed.

D. The following definition is added to **DEFINITIONS (Section V):**

"Contract or agreement requiring insurance" means that part of any contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs, and the "personal injury" is caused by an offense committed:

a. After you have entered into that contract or agreement;

b. While that part of the contract or agreement is in effect; and

c. Before the end of the policy period.

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Named Insured: Winzler & Kelly
Policy Number: BA4554X895
Policy Period: 03/01/11 to 03/01/12

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO COVERAGE PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. PERSONAL EFFECTS COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following:

Personal Effects Coverage

We will pay up to $400 for "loss" to wearing apparel and other personal effects which are:

(1) owned by an "insured"; and

(2) in or on your covered "auto";

in the event of a total theft "loss" of your covered "auto".

No deductibles apply to Personal Effects Coverage.

B. AUTO LOAN LEASE GAP COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following:

Auto Loan Lease Gap Coverage for Private Passenger Type Vehicles

In the event of a total "loss" to a covered "auto" of the private passenger type shown in the Schedule or Declarations for which Physical Damage Coverage is provided, we will pay any unpaid amount due on the lease or loan for such covered "auto" less the following:

(1) The amount paid under the Physical Damage Coverage Section of the policy for that "auto"; and

(2) Any:

(a) Overdue lease/loan payments at the time of the "loss";

(b) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;

(c) Security deposits not returned by the lessor;

(d) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and

(e) Carry-over balances from previous loans or leases.

C. COVERAGE EXTENSION – AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT NOT DESIGNED SOLELY FOR THE PRODUCTION OF SOUND

SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions, exception paragraph **a.** to exclusions **4.c & 4.d** is deleted and replaced with the following:

a. Equipment and accessories used with such equipment, except tapes, records or discs, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or

D. WAIVER OF DEDUCTIBLE – GLASS

SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

E. HIRED AUTO PHYSICAL DAMAGE COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following:

Hired Auto Physical Damage Coverage Extension

If hired "autos" are covered "autos" for Liability Coverage and this policy also provides Physical Damage Coverage for an owned "auto", then the

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Physical Damage Coverage is extended to "autos" that you hire, rent or borrow subject to the following:

(1) The most we will pay for "loss" in any one "accident" to a hired, rented or borrowed "auto" is the lesser of:

(a) $50,000;

(b) The actual cash value of the damaged or stolen property as of the time of the "loss"; or

(c) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

(2) An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

(3) If a repair or replacement results in better than like kind or quality, we will not pay for the amount of betterment.

(4) A deductible equal to the highest Physical Damage deductible applicable to any owned covered "auto".

(5) This Coverage Extension does not apply to:

(a) Any "auto" that is hired, rented or borrowed with a driver; or

(b) Any "auto" that is hired, rented or borrowed from your "employee".

F. BLANKET WAIVER OF SUBROGATION

SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us is deleted and replaced by the following:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

G. BLANKET ADDITIONAL INSURED

SECTION II – LIABILITY COVERAGE, part **A. 1. Who Is An Insured**, paragraph **c.** is amended by adding the following:

Any person or organization that you are required to include as an additional insured on this Coverage Form in a written contract or agreement that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

H. EMPLOYEE HIRED AUTOS

SECTION II – LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured is amended by adding the following:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

I. COVERAGE EXTENSION – TRAILERS

SECTION I – COVERED AUTOS, C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos, paragraph **1.** is deleted and replaced by the following:

1. "Trailers" with a load capacity of 3,000 pounds or less designed primarily for travel on public roads.

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AGREEMENT No.: 11-084 & R-11-017

THIS AGREEMENT is made and entered into this 14th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and NAGASAKI AND ASSOCIATES, (hereinafter referred to as the "Contractor") with its principal place of business at 2421 West 205th Street, Suite D-201, Torrance, California 90501.

RECITALS

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional Appraisal services from an experienced and qualified firm; and

WHEREAS, the Owner will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, the Contractor represents itself as a qualified real estate appraisal firm capable of rendering the required services; and

WHEREAS, the Contractor represents that it is familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, the City, the Agency and the Contractor, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Contractor, without the need for further action, shall perform for

the City all of the duties and obligations that it owed to the Agency under this Agreement. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 2 - DEFINITION OF "PARCEL"

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the Owner as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of the Owner participation in assisting the private or public development of the property.

ARTICLE 3 - SCOPE OF SERVICES

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the Owner as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of the Owner participation in assisting the private or public development of the property.

The Contractor agrees to perform the following services as may be directed in writing from time to time by the City Manager, the Executive Director or assignee.

(A) <u>INVESTIGATION AND RESEARCH</u>

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon are recognized by the courts in eminent domain proceedings and to advise the Owner, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or

other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. The Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) <u>REPORT</u>

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the Owner to proceed with the appraisal of the Parcel.

2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the Owner to proceed with the appraisal of the Parcel.

3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.

4. The report shall, among other things, contain the following:

a. The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. The Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.

b. A report of any and all circumstances found by the Contractor

to exist with respect to unlawful condition, use, or occupancy of the property being appraised.

c. The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

d. The assessed value of the property and the amount of the current real estate tax levy.

e. A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

f. A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

g. In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation

is made for severance damages, full statement of the reasons for such allocation should be made.

h. A statement of the rental value of the property and a history of the rental experience, if any.

i. A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds, and public libraries o the extent such things are relevant to value.

j. A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

k. A statement of all factors taken into consideration by the Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

(C) <u>REVISIONS AND CORRECTIONS</u>

The Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the Owner.

(D) <u>INFORMAL UPDATE OPINION</u>

If requested by the Owner in writing signed by the City Manager, the Executive Director or assignee specifying a maximum number of hours allowable, the Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, the

Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

(E) VERIFICATION LETTER

If requested by the Owner in writing, signed by the City Manager, the Executive Director or assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reason which indicates whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by the Owner's legal counsel, the Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update of the original appraisal report and such additional details as may be necessary for courtroom use.

(G) EXPERT WITNESS

In the event the testimony of the Contractor is required in any legal proceedings, in connection with the Owner's acquisition or, in any acquisition by another city, with assistance of the Owner, of any property herein referred to, the Contractor agrees to appear as witness on behalf of the Owner. The Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may

be deemed necessary by the Owner or the Owner's legal counsel. The Contractor shall keep such personal records of all details with respect to the appraisals as will enable the Contractor to appear as such witness.

(H) VALUE OF LEASEHOLD INTEREST

If requested by the Owner in writing, signed by the City Manager, the Executive Director or assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. The Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the Owner may, in writing, direct, and will furnish and deliver the appraisal report to the Owner as soon as completed.

ARTICLE 4 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Contractor to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Contractor. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 5 - COMPENSATION

All invoices submitted by the Contractor shall contain: (1) date of invoice; (2) sequential invoice number; (3) agreement number; (4) description of services billed under this invoice; (5) total agreement amount; (6) total amount for services, itemization of all reimbursable expenses included in the invoice; (7) total billed (by services and reimbursable expenses) to date; (8) total amount remaining on

agreement. The Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement.

Provided that the Contractor has the prior written approval of the City Manager, the Executive Director, his assignee or the Owner's counsel, the Parties hereto agree that the Contractor shall be: (1) reimbursed for the actual expense to prepare exhibits requested by the Owner's counsel; and (2) $250.00 per hour for appraiser and verification services; and $300 per hour if named and used as an expert witness in pending litigation. The Contractor shall also be entitled to an expert witness per diem rate of $800 per half day.

The Parties hereto agree that in no event shall payment to the Contractor pursuant to this Agreement exceed forty thousand dollars ($40,000.00).

The Contractor agrees that, should work be performed outside the scope of services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim against the Owner for reimbursement.

The Owner reserves the right to delete specific properties from the appraisal by notifying the Contractor in writing. Upon receipt of such notice, the Contractor shall immediately cease work on the specified properties to be deleted from the appraisal report. The Contractor shall be paid for work completed prior to notification to cease work on those specified properties. The Owner shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

///

ARTICLE 6 - TERM

The term of this Agreement shall be for a period of one (1) year from the date of execution of this Agreement by the Owner.

ARTICLE 7 - TERMINATION

The Owner may, in its sole and absolute discretion and without cause, terminate this Agreement immediately upon written notice to the Contractor. The Contractor may terminate this Agreement upon 30 days written notice to the Owner. In the event of termination of this Agreement, the Contractor shall deliver to the Owner all documents, files, records and copies thereof pertaining to any work which may be in progress and the Owner shall pay to the Contractor an amount which equitably reflects the proportion of work completed by the Contractor on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 5 of this Agreement.

ARTICLE 8 - PERSONNEL

The Parties hereto agree that, unless otherwise specifically designated or agreed to by the Owner, Jeffrey T. Nagaski, shall be personally responsible for and supervise all matters assigned to and handled by the Contractor. The Owner shall have the right to designate or reject the assignment of other employees or contractors associated with the Contractor.

ARTICLE 9 - NO AGENCY RELATIONSHIP

No agency relationship between the Owner and the Contractor is intended or created by this Agreement. The Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Contractor is at all times a wholly independent contractor.

ARTICLE 10 - INSURANCE

The Contractor shall procure and maintain for the duration of the contract

insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Minimum Scope of Coverage

Coverage shall be at least as broad as

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Contractor's profession.

Minimum Limits of Insurance

The Contractor shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors & Omissions: **$1,000,000** per claim.

(a) The "Retro Date" must ade before the date of the contract or beginning of c

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Owner. At the option of the Owner, either; the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the Owner, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.

2. For any claims related to this project, the Contractor's insurance coverage shall be primary as respects the Owner, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees or volunteers shall be non-contributing and in excess of the Contractor's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior

written notice by certified mail, return receipt requested, has been given to the Owner.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782 (b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Contractor shall furnish the Owner with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Owner or on other than the Owner's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Owner's Counsel before work commences. The Owner reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The Contractor holds harmless the Owner, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 11 - INDEMNIFICATION

The Contractor shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by

the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, the Contractor, upon notice from the Owner, shall defend Indemnitees at contractor's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure the Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of the Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 12 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner	Contractor
Yvonne Horton, City Clerk Office of the City Clerk One Manchester Boulevard Inglewood, California 90301	NAGASAKI AND ASSOCIATES 2421 W. 205th Street, Suite D201 Torrance, CA 90501 Attn.: Jeffrey T. Nagasaki, Principal

with a copy to:
Margarita Cruz,
Redevelopment Manager
One Manchester Boulevard
Inglewood, California 90301

ARTICLE 13 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 14 - NON-ASSIGNABILITY

The expertise and experience of the Contractor are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon the Contractor under this Agreement. In recognition of that interest, the Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Contractor's duties or obligations under this Agreement without the prior written consent of the City Manager, the Executive Director or assignee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 15 - EQUAL EMPLOYMENT OPPORTUNITY

The Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 16 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 17 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Contractor and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in

writing duly executed by the Parties or their authorized representatives.

ARTICLE 18 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 19 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 20 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No Party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 21 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, the City, the Agency and the Contractor have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
City Clerk

NAGASAKI AND ASSOCIATES

Jeffery T. Nagasaki,
Principal

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

James T. Butts, Jr.,
Chairman

ATTEST:

Yvonne Horton,
Secretary

APPROVED AS TO FORM:

Cal P. Saunders,
Agency Counsel

N:\AGREEMENTS\IRA\Nagasaki & Assoc (IRA) 3.11.doc

Client#: 39072 NAGAS

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 03/16/11

PRODUCER
Tegner-Miller Insurance
2001 Wilshire Blvd. #101
P.O. Box 511
Santa Monica, CA 90406

RECEIVED By

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Nagasaki & Associates
2421 W. 205th St
Suite D201
Torrance, CA 90501

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: see desc of ops	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY	AZC80783133	04/14/10	04/14/11	EACH OCCURRENCE	$2,000,000
A	X	X COMMERCIAL GENERAL LIABILITY	AZC80783133	04/14/11	04/14/12	DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
		CLAIMS MADE X OCCUR				MED EXP (Any one person)	$10,000
						PERSONAL & ADV INJURY	$2,000,000
						GENERAL AGGREGATE	$4,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC				PRODUCTS - COMP/OP AGG	$4,000,000
A	X	AUTOMOBILE LIABILITY	AZC80783133	04/14/10	04/14/11	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
A	X	ANY AUTO	AZC80783133	04/14/111	04/14/12		
		ALL OWNED AUTOS					
		SCHEDULED AUTOS					
		X HIRED AUTOS					
		X NON-OWNED AUTOS					
		GARAGE LIABILITY					
		ANY AUTO					
		EXCESS/UMBRELLA LIABILITY					
		OCCUR CLAIMS MADE					
		DEDUCTIBLE					
		RETENTION $					
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?					
		If yes, describe under SPECIAL PROVISIONS below					
		OTHER					

To: Department
Where is errors
+
Omissions Insurance
See page 18

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*Except 10 days notice of cancellation for nonpayment
The City of Inglewood, and their officers, officials, employees and volunteers are named as additional insured. Additional Insured wording per form AB9189. Primary Wording per form AB9000. Carrier: Associated Indemnity Corporation

CERTIFICATE HOLDER

The City of Inglewood
One Manchester Blvd, Suite 450
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
David E Nagasaki

© ACORD CORPORATION 1988

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

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AGREEMENT No.: 11-085 & R-11-018

THIS AGREEMENT is made and entered into this 14th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and LIDGARD AND ASSOCIATES, INC., (hereinafter referred to as the "Contractor") with its principal place of business at 2808 E. Katella Avenue, Suite 107, Orange, California 92867.

RECITALS

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional Appraisal services from an experienced and qualified firm; and

WHEREAS, the Owner will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, the Contractor represents itself as a qualified real estate appraisal firm capable of rendering the required services; and

WHEREAS, the Contractor represents that it is familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, the City, the Agency and the Contractor, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Contractor, without the need for further action, shall perform for

the City all of the duties and obligations that it owed to the Agency under this Agreement. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 2 - DEFINITION OF "PARCEL"

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the Owner as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of the Owner participation in assisting the private or public development of the property.

ARTICLE 3 - SCOPE OF SERVICES

Contractor agrees to perform the following services as may be directed in writing from time to time by the City Manager, the Executive Director or assignee.

(A) <u>INVESTIGATION AND RESEARCH</u>

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon or thereunto belonging which are recognized by the courts in eminent domain proceedings and to advise the Owner, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised, and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. The Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) <u>REPORT</u>

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the Owner to proceed with the appraisal of the Parcel.
2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the Owner to proceed with the appraisal of the Parcel.
3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.
4. The report shall, among other things, contain the following:
   a. The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. The Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.
   b. A report of any and all circumstances found by the Contractor to exist with respect to unlawful condition, use, or occupancy of

the property being appraised.

c. The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

d. The assessed value of the property and the amount of the current real estate tax levy.

e. A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

f. A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

g. In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation is made for

severance damages, full statement of the reasons for such allocation should be made.

h. A statement of the rental value of the property and a history of the rental experience, if any.

i. A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds, and public libraries o the extent such things are relevant to value.

j. A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

k. A statement of all factors taken into consideration by the Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

(C) <u>REVISIONS AND CORRECTIONS</u>

The Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the Owner.

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(D) INFORMAL UPDATE OPINION

If requested by the Owner in writing signed by the City Manager, or Executive Director or assignee specifying a maximum number of hours allowable, the Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, the Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

(E) VERIFICATION LETTER

If requested by the Owner in writing, signed by the City Manager or the Executive Director or assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reason which indicates whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by the Owner's legal counsel, the Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update of the original appraisal report and such additional details as may be necessary for courtroom use.

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(G) EXPERT WITNESS

In the event the testimony of the Contractor is required in any legal proceedings, in connection with the Owner's acquisition or, in any acquisition by another city, with assistance of the Owner, of any property herein referred to, the Contractor agrees to appear as witness on behalf of the Owner. The Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by the Owner or the Owner's legal counsel. The Contractor shall keep such personal records of all details with respect to the appraisals as will enable the Contractor to appear as such witness.

(H) VALUE OF LEASEHOLD INTEREST

If requested by the Owner in writing, signed by the City Manager or the Executive Director or assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. The Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the Owner may, in writing, direct, and will furnish and deliver the appraisal report to the Owner as soon as completed.

ARTICLE 4 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Contractor to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Contractor. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 5 - COMPENSATION

The Owner agrees to pay Contractor for its services faithfully rendered hereunder in accordance with the following schedule:

For services rendered pursuant to Article 3 (A), (B), (C), (D), (F), (G) or (H), the Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "A".

For services provided pursuant to Article 3 (E), the Contractor shall be compensated per Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "B".

For exhibits prepared by the Contractor pursuant to the request of the Owner's attorney, Contractor shall be reimbursed for his actual expense.

No compensation shall be paid to the Contractor for any services performed unless they are performed pursuant to prior written authorization signed by the City Manager or the Executive Director, assignee, or the Owner's attorney as provided above.

No compensation shall be paid pursuant to this Agreement for work performed in relation to any parcel or parcels other than those specified in a written request from the City Manager or the Executive Director or assignee.

The Owner reserves the right to delete specific properties from the appraisal by notifying the Contractor in writing. Upon receipt of such notice, the Contractor shall immediately cease work on the specified properties to be deleted from the appraisal report. The Contractor shall be paid for work completed prior to notification to cease work on those specified properties. The Owner shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

The Contractor shall invoice the Owner in the form and number of copies requested by the Owner for the amount of any compensation that may become payable to the Contractor pursuant to this Agreement.

In no event shall the total amount payable pursuant to this Agreement exceed forty thousand dollars ($40,000). The Contractor shall invoice the Owner in the form and number of copies requested by the Owner for the amount of any compensation that may become payable to the Contractor pursuant to this Agreement.

Payment shall be made as soon as practicable in the ordinary course of the Owner's business after the Owner has approved the invoices for payment.

Each invoice shall specify the service rendered, classification of the service in terms of the categories under Article 3 hereof, show the time spent, if appropriate, and the rate charged.

Nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement.

ARTICLE 6 - TERM

The terms of the Agreement shall be for a period of one (1) year from the date of execution of this Agreement.

ARTICLE 7 - TERMINATION

This Agreement shall terminate at the Owner's option; provided that the Owner shall give Contractor fifteen (15) day written notice of such termination. In the event of termination by the Owner, Contractor shall deliver to the Owner all documents, files and records pertaining to any work which may be in progress and the Owner shall pay to Contractor an amount which equitably reflects the proportion of work completed by Contractor on each assignment, provided, that in no event shall the compensation paid pursuant to this paragraph exceed that which would have been payable pursuant to Article 5 of this Agreement.

ARTICLE 8 - PERSONNEL

The parties hereto agree that, unless otherwise specifically designated or agreed to by the Owner, Scott A. Lidgard, shall be personally responsible for and

supervise all matters assigned to and handled by the Contractor. The Owner shall have the right to designate or reject the assignment of other employees or sub-contractors associated with the Contractor.

ARTICLE 9 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Contractor is intended or created by this Agreement. The Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Contractor is at all times a wholly independent contractor.

ARTICLE 10 - INSURANCE

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Service Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Errors and Omissions Liability insurance appropriate to the contractor's profession.

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Minimum Limits of Insurance

Contractor shall maintain these policies and shall cause all parties supplying services, labor, or materials to maintain the following insurance in amounts not less than those specified below:

1. General Liability: (Including operations, products and completed operations, as applicable.)

   $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Errors and Omissions Liability: $1,000,000 per claim.

   (a) Any "Retro Date" must be shown, and must be before the date of the contract or beginning of contract work.

   (b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

   (c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years

after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Owner's counsel for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Owner. At the option of the Owner, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relate to the Owner and its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policy are to contain, or be endorsed to contain, the following provisions:

1. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Owner, it officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Owner.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Contractor shall furnish the Owner with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Owner or on other than the Owner's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Owner's Counsel before work commences. The Owner reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The Contractor holds harmless the Owner, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 11 - INDEMNIFICATION

The Contractor shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, the Contractor, upon notice from the Owner, shall defend Indemnitees at the Contractor's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure the Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of the Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner
Yvonne Horton
City Clerk
Office of the City Clerk
One Manchester Boulevard
Inglewood, California 90301

with a copy to:
Margarita Cruz
One Manchester Boulevard
Inglewood, California 90301

Contractor
Scott A. Lidgard
President
Lidgard and Associates, Inc.
2808 E. Katella Avenue
Orange, California 92867

ARTICLE 14 - NON-ASSIGNABILITY

The expertise and experience of the Contractor are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon the Contractor under this Agreement. In recognition of that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Contractor's duties or obligations under this Agreement without the prior written consent of the City Manager, or the Executive Director or assignee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 15 - EQUAL EMPLOYMENT OPPORTUNITY

The Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 16 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 17 - ENTIRE AGREEMENT

This Agreement, including Exhibits "A" and "B" is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Contractor and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements,

whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 18 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 19 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 20 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed

counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 21 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, the City, the Agency and the Contractor have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
City Clerk

LIDGARD AND ASSOC., INC.

Scott A. Lidgard,
President

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

James T. Butts, Jr.,
Chairman

ATTEST:

Yvonne Horton,
Secretary

APPROVED AS TO FORM:

Cal P. Saunders,
Agency Counsel

Exhibit "A"

Rate schedule for services rendered pursuant to Article 3 (A), (B), (C), (D), (F) or (H):

Appraiser ..... $175.00 per hour

Rate schedule for services rendered pursuant to Article 3 (G)

Appraiser ..... Bulk amount for court related work:
..... $375 per hour

..... Per diem for court related work:
..... $1,500 per half day

The above referred hourly rates will be valid for a time period not to exceed one (1) years from the date of this Agreement. After that time, rates shall be changed in accordance at that time.

Exhibit "B"

Rate Schedule for services rendered pursuant to paragraph 3(E):

$175 per hour

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/1/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Management Insurance Services
8101 E. Kaiser Blvd
Suite 140
Anaheim Hills CA 92808

CONTACT NAME: Phyllis Wilcox
PHONE (A/C, No, Ext): (714) 414-1167 FAX (A/C, No): (714) 414-1195
E-MAIL ADDRESS: pwilcox@cmis-ins.com
PRODUCER CUSTOMER ID #: 00000252

INSURED
Lidgard & Associates Inc.
2592 N Santiago Blvd
Orange CA 92867

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: American Cas. Co of Reading PA	
INSURER B: Continental Insurance Company	
INSURER C: Continental Casualty Company	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: 11-12 Master REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	X		B4022998395	3/4/2011	3/4/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			B4022998431	3/4/2011	3/4/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist BI split limit Uninsured motorist combined	$ $ 1,000,000 $ $ $ $ 30,000
C	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DEDUCTIBLE X RETENTION $ 10,000			B4022998526	3/4/2011	3/4/2012	EACH OCCURRENCE AGGREGATE	$ 3,000,000 $ 3,000,000 $ $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC422998476	3/4/2011	3/4/2012	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

OK CPS

RECEIVED By

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED WITH RESPECTS TO GENERAL LIABLITY AS PER THE ATTACHED SB-146932-C (Ed. 01/08).

CERTIFICATE HOLDER

sbaker@cityofinglewood.org

CITY OF INGLEWOOD REDEVELOPMENT AGENCY
SYLVIA BAKER
1 MANCHESTER BLVD 5TH FLOOR
STE 550
INGLEWOOD, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael Wakely/LA

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The ACORD name and logo are registered marks of ACORD

CERTIFICATE OF INSURANCE

Producer:

LIA ADMINISTRATORS & INSURANCE SERVICES
P.O. Box 1319
Santa Barbara, CA 93102-1319

Issue Date: 03/10/2011
This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policy below.

Insured: 152163
LIDGARD AND ASSOCIATES, INC.
2592 N. Santiago Blvd.
Orange, CA 92867

Fax Number: 714-633-8449

COMPANY AFFORDING COVERAGE

Liberty Insurance Underwriters, Inc.

Authorized Representative

This is to certify that the policy of insurance listed below has been issued to the Insured named above for the policy period indicated. Notwithstanding any requirement, term of condition of any contract or other document with respect to which this Certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Limits shown may have been reduced by paid claims.

DISCLAIMER: This certificate of insurance does not affirmatively or negatively amend, extend, or alter the coverage afforded by the insurance policy.

TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS	
Professional Liability	LIU007385-009	04/02/2011	04/02/2012	Each Claim General Aggregate	$ 1000000 $ 2000000

OK CPS

Description of Operations/Locations/Special Items:
REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY INSURANCE

RECEIVED

By

Certificate Holder:
City of Inglewood Redevelopment Agency
Attn: Sylvia Baker
1 Manchester Blvd., 5th Floor, Suite 550
Inglewood, CA 90301

Cancellation:
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

11748

AGREEMENT No.: 11-085 & R-11-018

THIS AGREEMENT is made and entered into this 14th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and LIDGARD AND ASSOCIATES, INC., (hereinafter referred to as the "Contractor") with its principal place of business at 2808 E. Katella Avenue, Suite 107, Orange, California 92867.

RECITALS

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional Appraisal services from an experienced and qualified firm; and

WHEREAS, the Owner will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, the Contractor represents itself as a qualified real estate appraisal firm capable of rendering the required services; and

WHEREAS, the Contractor represents that it is familiar with State and Federal laws and other rules and regulations governing Appraisal services.

NOW, THEREFORE, the City, the Agency and the Contractor, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Contractor, without the need for further action, shall perform for

the City all of the duties and obligations that it owed to the Agency under this Agreement. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 2 - DEFINITION OF "PARCEL"

The term "Parcel" as used herein shall mean any particular piece of the real property, either a single platted lot or fractional part thereof which has been identified by the Owner as a parcel for which appraisal services shall be required in order to determine practicability or feasibility of the Owner participation in assisting the private or public development of the property.

ARTICLE 3 - SCOPE OF SERVICES

Contractor agrees to perform the following services as may be directed in writing from time to time by the City Manager, the Executive Director or assignee.

(A) <u>INVESTIGATION AND RESEARCH</u>

1. Make a personal inspection of the Parcel including all improvements, structures, appurtenances and other elements of value thereon or thereunto belonging which are recognized by the courts in eminent domain proceedings and to advise the Owner, in a written report, of his opinion of the fair market value of each parcel and each element of value thereon.

2. Verify, insofar as is practicable, all recent sales of the property appraised, and all recent sales of comparable property which the Contractor has taken into consideration as reflecting the fair market value of the property appraised. Such verification shall include interviewing the seller, buyer, agent or other person known to have participated in the transaction, to ascertain the consideration, the terms and conditions of the sale, any special factors affecting the amount of the consideration, the actual condition of the property at the time of transfer, and photographs of the comparable properties.

3. The Contractor shall offer the owner of the property to be investigated, or his representative designated in writing, an opportunity, by reasonable advance written notice, to accompany the Contractor during the inspection of the property.

(B) <u>REPORT</u>

1. Submit a preliminary value opinion within twenty-five (25) days following written notice by the Owner to proceed with the appraisal of the Parcel.
2. Complete an Acquisition Appraisal Report within thirty (30) days following written notice by the Owner to proceed with the appraisal of the Parcel.
3. The report, in three (3) copies, shall, in form and substance, conform to recognized appraisal practices and to the principles of evaluating property for determining values.
4. The report shall, among other things, contain the following:
   a. The Contractor's opinion of the value of each parcel including improvements, structures, appurtenances, or other elements of value recognized by the court in eminent domain proceedings. The Contractor shall state the age, dimensions, kind, character and condition of the structures, improvements or fixtures appertaining to the property together with the Contractor's opinion of the property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture (or other element of value) in relation to the highest and best use to which the property, in the Contractor's opinion, is adaptable. It shall include photographs of the property.
   b. A report of any and all circumstances found by the Contractor to exist with respect to unlawful condition, use, or occupancy of

the property being appraised.

c. The names and addresses of the owners of the property and the date and the place of recording the instrument of conveyance under which the owners claim title.

d. The assessed value of the property and the amount of the current real estate tax levy.

e. A statement showing all recent sales of the property appraised, and a statement of all sales of comparable property which the Contractor has taken into consideration in estimating the fair market value of the subject property. The statement covering sales of comparable property shall indicate the factors of comparability and shall set forth the names of the grantor or grantee, a general description of the property and its condition, date of transfer, place of recording of the conveyance, a photograph, and a map, diagram, or other information indicating the location of such sales in relation to the subject property.

f. A scale plat of the Parcel being appraised, showing the location of all improvements to reality.

g. In the event of severance, the Contractor shall state his opinion of the fair market value of the whole, the fair market value of the part not taken, and the value of any special benefits accruing to the part not taken which under local law may be taken into consideration; and shall state his opinion and analysis and the fair allocation of the value of the part taken, and that represented in the diminished value of the remainder, giving due consideration under local law to the value of such special benefits, if any. Where allocation is made for

severance damages, full statement of the reasons for such allocation should be made.

h. A statement of the rental value of the property and a history of the rental experience, if any.

i. A statement as to existing utilities and the adequacy thereof with respect to the service available to the property; a brief description of the character of the street improvements approximate to the site of the property appraised; and a statement showing transportation, schools, markets, and other miscellaneous facilities such a churches, parks, playgrounds, and public libraries o the extent such things are relevant to value.

j. A statement as to whether or not the property or any portion thereof is subject to special assessment; if so, the nature, amount, number of years during which payments must be made.

k. A statement of all factors taken into consideration by the Contractor believed by him to influence, either favorably or unfavorably, the market value of the parcel; together with a statement concerning the activity of the real estate market in the immediate area.

(C) <u>REVISIONS AND CORRECTIONS</u>

The Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the Owner.

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(D) INFORMAL UPDATE OPINION

If requested by the Owner in writing signed by the City Manager, or Executive Director or assignee specifying a maximum number of hours allowable, the Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the provisions above. In preparing said opinion, the Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any changes which have resulted in any relevant matters such as the conditions of the premises, the character of the neighborhood, the highest and best use of the subject parcel, subsequent sales of comparable property, or any changes on other relevant economic factors.

(E) VERIFICATION LETTER

If requested by the Owner in writing, signed by the City Manager or the Executive Director or assignee, the Contractor shall prepare a letter verifying the appropriateness of a purchase price which is greater than the appraised fair market value. In preparing said letter, the Contractor shall thoroughly review his previous investigations and findings and reference circumstances, factors or reason which indicates whether the purchase price is within an acceptable range of the appraised fair market value.

(F) CONDEMNATION APPRAISAL REPORT

If requested in writing by the Owner's legal counsel, the Contractor shall prepare an exchange appraisal report conforming to recognized appraisal report practices and to the principles of evaluating property for condemnation value in eminent domain proceedings. The report shall contain all items of the appraisal report to be prepared pursuant to the provisions above, shall conform in form and substance to the requirements of the Court in condemnation proceedings, and shall include an update of the original appraisal report and such additional details as may be necessary for courtroom use.

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(G) EXPERT WITNESS

In the event the testimony of the Contractor is required in any legal proceedings, in connection with the Owner's acquisition or, in any acquisition by another city, with assistance of the Owner, of any property herein referred to, the Contractor agrees to appear as witness on behalf of the Owner. The Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by the Owner or the Owner's legal counsel. The Contractor shall keep such personal records of all details with respect to the appraisals as will enable the Contractor to appear as such witness.

(H) VALUE OF LEASEHOLD INTEREST

If requested by the Owner in writing, signed by the City Manager or the Executive Director or assignee, the Contractor shall prepare an opinion of value, for each tenant, of any leasehold value or other interests in the property. The Contractor shall provide adequate documentation to substantiate all such values.

(I) TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the Owner may, in writing, direct, and will furnish and deliver the appraisal report to the Owner as soon as completed.

ARTICLE 4 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Contractor to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Contractor. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 5 - COMPENSATION

The Owner agrees to pay Contractor for its services faithfully rendered hereunder in accordance with the following schedule:

For services rendered pursuant to Article 3 (A), (B), (C), (D), (F), (G) or (H), the Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "A".

For services provided pursuant to Article 3 (E), the Contractor shall be compensated per Contractor's current rate schedule attached hereto and made a part hereof as Exhibit "B".

For exhibits prepared by the Contractor pursuant to the request of the Owner's attorney, Contractor shall be reimbursed for his actual expense.

No compensation shall be paid to the Contractor for any services performed unless they are performed pursuant to prior written authorization signed by the City Manager or the Executive Director, assignee, or the Owner's attorney as provided above.

No compensation shall be paid pursuant to this Agreement for work performed in relation to any parcel or parcels other than those specified in a written request from the City Manager or the Executive Director or assignee.

The Owner reserves the right to delete specific properties from the appraisal by notifying the Contractor in writing. Upon receipt of such notice, the Contractor shall immediately cease work on the specified properties to be deleted from the appraisal report. The Contractor shall be paid for work completed prior to notification to cease work on those specified properties. The Owner shall be entitled to all completed work including notes, data, photographs, etc., relating to properties deleted from the appraisal.

The Contractor shall invoice the Owner in the form and number of copies requested by the Owner for the amount of any compensation that may become payable to the Contractor pursuant to this Agreement.

In no event shall the total amount payable pursuant to this Agreement exceed forty thousand dollars ($40,000). The Contractor shall invoice the Owner in the form and number of copies requested by the Owner for the amount of any compensation that may become payable to the Contractor pursuant to this Agreement.

Payment shall be made as soon as practicable in the ordinary course of the Owner's business after the Owner has approved the invoices for payment.

Each invoice shall specify the service rendered, classification of the service in terms of the categories under Article 3 hereof, show the time spent, if appropriate, and the rate charged.

Nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement.

ARTICLE 6 - TERM

The terms of the Agreement shall be for a period of one (1) year from the date of execution of this Agreement.

ARTICLE 7 - TERMINATION

This Agreement shall terminate at the Owner's option; provided that the Owner shall give Contractor fifteen (15) day written notice of such termination. In the event of termination by the Owner, Contractor shall deliver to the Owner all documents, files and records pertaining to any work which may be in progress and the Owner shall pay to Contractor an amount which equitably reflects the proportion of work completed by Contractor on each assignment, provided, that in no event shall the compensation paid pursuant to this paragraph exceed that which would have been payable pursuant to Article 5 of this Agreement.

ARTICLE 8 - PERSONNEL

The parties hereto agree that, unless otherwise specifically designated or agreed to by the Owner, Scott A. Lidgard, shall be personally responsible for and

supervise all matters assigned to and handled by the Contractor. The Owner shall have the right to designate or reject the assignment of other employees or sub-contractors associated with the Contractor.

ARTICLE 9 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Contractor is intended or created by this Agreement. The Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Contractor is at all times a wholly independent contractor.

ARTICLE 10 - INSURANCE

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Service Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Errors and Omissions Liability insurance appropriate to the contractor's profession.

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Minimum Limits of Insurance

Contractor shall maintain these policies and shall cause all parties supplying services, labor, or materials to maintain the following insurance in amounts not less than those specified below:

1. General Liability: (Including operations, products and completed operations, as applicable.)

   $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Errors and Omissions Liability: $1,000,000 per claim.

   (a) Any "Retro Date" must be shown, and must be before the date of the contract or beginning of contract work.

   (b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

   (c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years

after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Owner's counsel for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Owner. At the option of the Owner, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relate to the Owner and its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policy are to contain, or be endorsed to contain, the following provisions:

1. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Owner, it officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Owner.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Contractor shall furnish the Owner with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Owner or on other than the Owner's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Owner's Counsel before work commences. The Owner reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The Contractor holds harmless the Owner, its officers and employees from any and all liability from personal injuries, property damage, cost of litigation, legal expenses or any other claim or action arising out of the performance of the services by the Contractor pursuant to these specifications.

ARTICLE 11 - INDEMNIFICATION

The Contractor shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which contractor has agreed to indemnify Indemnitees as provided above, the Contractor, upon notice from the Owner, shall defend Indemnitees at the Contractor's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by contractor under this Article shall ensure the Contractor's obligations under this section, but the limits of such insurance shall not limit the liability of the Contractor hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner
Yvonne Horton
City Clerk
Office of the City Clerk
One Manchester Boulevard
Inglewood, California 90301

with a copy to:
Margarita Cruz
One Manchester Boulevard
Inglewood, California 90301

Contractor
Scott A. Lidgard
President
Lidgard and Associates, Inc.
2808 E. Katella Avenue
Orange, California 92867

ARTICLE 14 - NON-ASSIGNABILITY

The expertise and experience of the Contractor are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon the Contractor under this Agreement. In recognition of that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Contractor's duties or obligations under this Agreement without the prior written consent of the City Manager, or the Executive Director or assignee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 15 - EQUAL EMPLOYMENT OPPORTUNITY

The Contractor agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 16 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 17 - ENTIRE AGREEMENT

This Agreement, including Exhibits "A" and "B" is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Contractor and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements,

whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 18 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 19 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 20 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed

counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 21 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, the City, the Agency and the Contractor have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
City Clerk

LIDGARD AND ASSOC., INC.

Scott A. Lidgard,
President

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

James T. Butts, Jr.,
Chairman

ATTEST:

Yvonne Horton,
Secretary

APPROVED AS TO FORM:

Cal P. Saunders,
Agency Counsel

Exhibit "A"

Rate schedule for services rendered pursuant to Article 3 (A), (B), (C), (D), (F) or (H):

Appraiser ..... $175.00 per hour

Rate schedule for services rendered pursuant to Article 3 (G)

Appraiser ..... Bulk amount for court related work:
..... $375 per hour

..... Per diem for court related work:
..... $1,500 per half day

The above referred hourly rates will be valid for a time period not to exceed one (1) years from the date of this Agreement. After that time, rates shall be changed in accordance at that time.

Exhibit "B"

Rate Schedule for services rendered pursuant to paragraph 3(E):

$175 per hour

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/1/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Management Insurance Services
8101 E. Kaiser Blvd
Suite 140
Anaheim Hills CA 92808

CONTACT NAME: Phyllis Wilcox
PHONE (A/C, No, Ext): (714) 414-1167 FAX (A/C, No): (714) 414-1195
E-MAIL ADDRESS: pwilcox@cmis-ins.com
PRODUCER CUSTOMER ID #: 00000252

INSURED
Lidgard & Associates Inc.
2592 N Santiago Blvd
Orange CA 92867

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: American Cas. Co of Reading PA	
INSURER B: Continental Insurance Company	
INSURER C: Continental Casualty Company	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: 11-12 Master REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	X		B4022998395	3/4/2011	3/4/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			B4022998431	3/4/2011	3/4/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist BI split limit Uninsured motorist combined	$ $ 1,000,000 $ $ $ $ 30,000
C	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DEDUCTIBLE X RETENTION $ 10,000			B4022998526	3/4/2011	3/4/2012	EACH OCCURRENCE AGGREGATE	$ 3,000,000 $ 3,000,000 $ $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC422998476	3/4/2011	3/4/2012	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

OK CPS

RECEIVED By

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED WITH RESPECTS TO GENERAL LIABLITY AS PER THE ATTACHED SB-146932-C (Ed. 01/08).

CERTIFICATE HOLDER

sbaker@cityofinglewood.org

CITY OF INGLEWOOD REDEVELOPMENT AGENCY
SYLVIA BAKER
1 MANCHESTER BLVD 5TH FLOOR
STE 550
INGLEWOOD, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael Wakely/LA

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The ACORD name and logo are registered marks of ACORD

CERTIFICATE OF INSURANCE

Producer:

LIA ADMINISTRATORS & INSURANCE SERVICES
P.O. Box 1319
Santa Barbara, CA 93102-1319

Issue Date: 03/10/2011
This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policy below.

Insured: 152163
LIDGARD AND ASSOCIATES, INC.
2592 N. Santiago Blvd.
Orange, CA 92867

Fax Number: 714-633-8449

COMPANY AFFORDING COVERAGE

Liberty Insurance Underwriters, Inc.

Authorized Representative

This is to certify that the policy of insurance listed below has been issued to the Insured named above for the policy period indicated. Notwithstanding any requirement, term of condition of any contract or other document with respect to which this Certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Limits shown may have been reduced by paid claims.

DISCLAIMER: This certificate of insurance does not affirmatively or negatively amend, extend, or alter the coverage afforded by the insurance policy.

TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS	
Professional Liability	LIU007385-009	04/02/2011	04/02/2012	Each Claim General Aggregate	$ 1000000 $ 2000000

OK CPS

Description of Operations/Locations/Special Items:
REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY INSURANCE

RECEIVED

By

Certificate Holder:
City of Inglewood Redevelopment Agency
Attn: Sylvia Baker
1 Manchester Blvd., 5th Floor, Suite 550
Inglewood, CA 90301

Cancellation:
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

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AGREEMENT No.: 11- R-11-019

THIS AGREEMENT is made and entered into by and between the Inglewood Redevelopment Agency ("Agency") and The Ferguson Group, LLC., ("Contractor"), with its principal place of business located at 1130 Connecticut Avenue, NW Suite 300, Washington, D.C. 20036.

WHEREAS, Agency is seeking an experienced consultant to assist Agency with Federal Lobbying services; and

WHEREAS Contractor holds itself out as capable and competent to provide the required lobbying services; and

WHEREAS Contractor agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Agreement is based on such independent investigation and research; and

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE 1 -- SCOPE OF SERVICES

Contractor agrees to perform the following services, as directed, on behalf of the Agency:

A. Mr. William Ferguson, Jr. shall be personally responsible for and supervise all matters assigned to Contractor.

B. Perform, in general, the services customarily carried out by legislative advocates and governmental affairs representatives.

C. Review and analyze federal executive proposals, legislation under consideration, proposed and adopted administrative rules and regulation and other Washington developments for the purpose of advising the Agency of those items that may have a bearing on the Agency policy or programs.

D. Counsel and assist Agency with Agency personnel appearances before Congressional committees and administrative agencies as necessary.

E. Contact federal agencies on the Agency's behalf when Agency applications are under consideration by such agencies and assist Agency in obtain the most favorable consideration of such applications.

F. Concurrent with monthly invoices and in order to process monthly payments, submit timely periodic reports (monthly, quarterly, or as circumstances demand, more frequently) summarizing significant legislative and governmental developments affecting the Agency and describing specific activities of Contractor on the Agency's behalf.

G. Represent Agency in such activities in Washington as from time to time may be requested by the Agency.

H. If Contractor represents or performs services for, or is employed by another person, company or government entity, Contractor shall attempt to coordinate travel and expenses as to minimize reimbursable expenses to Agency.

I. It is mutually agreed that Agency is relying upon the professional skill of Contractor as a specialist in the work. Contractor shall perform all services and prepare all work products required by this Agreement in a first-class manner and shall conform to the highest and best professional standards of quality observed by a person practicing in Contractor's profession. Acceptance of the Contractor's work by Agency does not operate as a release of Contractor's representations.

J. Contractor shall obtain, at its own expense, all necessary licenses and permits, including but not limited to those required by the City of Inglewood, to perform the services contemplated by this Agreement.

K. The Washington Representative will confer with the Executive Director and such other Agency personnel as the Executive Director may designate at the times and places mutually agreed to by the Executive Director and the Washington Representative on all organizational planning and program activity that has bearing on the ability of the Agency to make the best use of federal aid programs.

L. The Washington Representative will secure and furnish such detailed information as may be available on federal programs in which the Agency indicates an interest.

M. The Washington Representative will review and comment on proposals of the Agency prepared for submission to federal agencies when requested to do so by the Agency.

N. The Washington Representative will maintain liaison with the Agency's Congressional delegation and will assist the delegation in any matter which the Agency determines to be in its best interest in the same manner as any other member of the Agency's staff might render assistance.

ARTICLE 2 -- SCOPE OF AGENCY'S DUTIES

Agency shall provide Contractor with such necessary and appropriate information which it possesses and which are necessary for carrying out the work as outlined in Scope of Services.

ARTICLE 3 -- COMPENSATION

Contractor shall be paid three thousand three hundred thirty-three dollars and thirty-four cents ($3,333.34) each month and the total compensation paid for the performance of all services shall not exceed the annual sum of forty thousand dollars ($40,000.00).

Contractor shall also be entitled to a maximum of three thousand dollars ($3,000.00) annually for pre-approved travel and related incidental expenses incurred in representing Agency.

All invoices submitted by Contractor shall be submitted on a monthly basis and shall contain: (1) date of invoice; (2) sequential invoice number; (3) Agency Agreement Number; (4) total Agreement Amount; (5) total invoice amount including hourly rate and number of hours worked by each employee; (6) total billed to date; (7) total amount remaining on Agreement.

Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of Agency and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

In the event that Contractor identifies additional work outside the scope of these services that may be required to complete the work required under this Agreement, Contractor shall immediately notify Agency and shall provide a written not-to-exceed price for performing this additional work. Contractor shall not perform extra work without Agency's prior written approval. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

ARTICLE 4 -- TERM

This Agreement shall begin on July 1, 2011 and expire on June 30, 2013.

ARTICLE 5 – TERMINATION

This Agreement shall be subject to termination by the Agency, if the Agency is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Agency Funds, if the Contractor violates any material provisions of this agreement, or if the Contractor fails to provide the services required of this Agreement in a satisfactory manner as determined by the Executive Director or his designee. Either party may terminate this Agreement upon forty-five (45) days written notice to the other party.

ARTICLE 6 – NOTICES

Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, postage prepaid, and deposited in the United States mail to the respective parties as follows:

To Agency:
Inglewood Redev. Agency
One Manchester Boulevard
Inglewood, California 90301
Attn: Yvonne Horton, Secretary
With a copy to:
Executive Director

Contractor:
The Ferguson Group, LLC
1130 Connecticut Ave., NW, Suite 300
Washington, D.C. 20036
Attn: William Ferguson, Jr. CEO

ARTICLE 7 -- NO AGENCY RELATIONSHIP

Agency has designated Contractor to act as its Washington Representative with Federal officials, agencies, commissions, committees and other various governmental entities and persons involved in governmental affairs affecting Agency. No agency relationship between Contractor and Agency is intended or created by this Agreement. Contractor is not authorized and shall not at any time or in any manner represent that it is an agent, servant, or employee of Agency; it being expressly understood that Contractor is and at all times shall remain a wholly independent contractor. Contractor shall have no authority to bind Agency in any manner, to incur any obligation, debt, or liability of any kind on behalf of or against Agency, whether by contract or otherwise, unless such authority is expressly conferred in writing by an authorized representative of Agency.

Neither Contractor, nor any of Contractor's officers, employees, or agents, shall obtain rights to retirement, health care, or any other benefits which may otherwise accrue to Agency's employees. Contractor expressly waives any claim Contractor may have to any such rights. Contractor agrees to purchase its own worker's compensation insurance for California.

ARTICLE 8 – OWNERSHIP OF DOCUMENTS

All documents prepared, developed, or discovered by Contractor in the course of providing any services pursuant to this Agreement including but not limited to original studies, surveys, reports, data, notes, computer files, and all other documents are and shall remain the sole property of the Agency and may not be used, reused, or otherwise disposed of without the permission of the Agency. Upon completion, expiration, or termination of this Agreement, Contractor shall give Agency all such documents, including but not limited to original studies, surveys, reports, data, notes, computer files, files, and other documents.

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ARTICLE 9 – CONTRACTOR'S BOOKS AND RECORDS

A. Contractor shall maintain any and all documents and records demonstrating or relating to Contractor's performance of services pursuant to this Agreement. Contractor shall maintain any and all ledgers, books, or accounts, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures, and disbursements charged to the Agency pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Contractor pursuant to this Agreement. Any and all such documents or records shall be maintained from the date of execution of this Agreement throughout the term and to the extent required by laws relating to audits of public agencies and their expenditures.

B. Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit, and copying, at any time during regular business hours, upon written request by Agency or its designated representative. Copies of such documents or records shall be provided directly to the Agency for inspection, audit, and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Contractor's address indicated for receipt of notices in this Agreement.

C. Where Agency has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Contractor's business, Agency may, by written request, require that custody of such documents or records be maintained by the requesting party. Access to such documents and records shall be granted to Agency, as well as to its successors-in-interest and authorized representatives.

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ARTICLE 10 -- STANDARD OF PERFORMANCE

Contractor represents and warrants that it has the qualifications, experience and facilities necessary to properly perform services required under this Agreement in a thorough, competent, and professional manner. Contractor shall at all time faithfully, competently, and to the best of its ability, experience, and talents, perform all services described herein. In meeting its obligations under this Agreement, Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons providing services of the same or similar type to contemplate by this Agreement.

ARTICLE 11 --
CONFIDENTIAL INFORMATION, RELEASE OF INFORMATION

A. All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain. Contractor shall not release or disclose any such information or work product to persons or entities other than Agency without prior written authorization from the Executive Director, except as may be required by law.

B. Contractor, its officers, employees, agents, or subcontractors, shall not voluntarily provide declarations, letters of support, and testimony at depositions, respond to a court order or subpoena, response to interrogatories, or other information concerning the work performed under this Agreement without Agency's prior written approval.

C. If Contractor, or any officer, employee, agent, or subcontractor of Contractor, provides any information of work product in violation of this Agreement, then Agency shall have the right to reimbursement and indemnity from Contractor for any damages, costs, and fees, including attorney fees, caused by or incurred as a result of Contractor's conduct.

D. Contractor shall promptly notify Agency should Contractor, its officers, employees, agents, or subcontractors are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for

admissions, or other discovery request, court order, or subpoena from any party regarding this Agreement and the work performed thereunder. Agency retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing, or similar court-ordered proceeding. Contractor agrees to cooperate fully with Agency and to provide Agency with the opportunity to review any response to discovery requests served on Contractor and proposed responses thereto. However, this right to review any response does not imply or mean the right by Agency to control, direct, or rewrite said response.

ARTICLE 12 -- INSURANCE AND HOLD HARMLESS

Insurance Requirements:

Contractor shall maintain during the entire term of this Agreement the policies set out below and in amounts of coverage not less than those indicated herein. Additionally, where required by Agency, Contractor shall name the Inglewood Redevelopment Agency as an additional insured. Said insurance coverage shall be obtained prior to the commencement of any services pursuant to this Agreement. Contractor shall provide evidence, in the form of policies or certificates of insurance, which shall be subject to approval by the Inglewood City Attorney or his/her designee.

A. Worker's Compensation and Employer's Liability in accordance with applicable law in the State of California.

B. Comprehensive General Liability:

1. Bodily injury liability in the amount of $1,000,000.00 for each person in any one accident and $1,000,000.00 for injuries sustained by two or more persons in any one accident.

2. Property damage liability in the amount of $1,000,000.00 for each accident and $1,000,000.00 aggregate for each year of the policy period.

C. Comprehensive Automobile Liability:

1. Bodily injury liability coverage or $100,000.00 for each person in any one accident and $300,000.00 for injuries sustained by two or more persons in any one accident.

2. Property damage liability of $100,000.00 for each accident.

Hold Harmless:

Contractor agrees to hold Agency harmless from any liability for bodily or personal injury to or death of any person and for injury to or loss of any property resulting from or arising out of the negligent or wrongful acts of Contractor, its officers, employees, agents, or representatives, in performance or failure to perform any services required by this Agreement.

ARTICLE 13 -- NON-ASSIGNABILITY

Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without prior written approval of Agency. Said prior written approval of the Agency may be made by the Agency Board. Any and all attempted assignments of this Agreement without the prior written approval as required by this Article shall be void.

ARTICLE 14 -- EQUAL EMPLOYMENT OPPORTUNITY

Contractor agrees that during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability, or national origin.

ARTICLE 15 -- GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

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ARTICLE 16 – CONTRACTOR'S AUTHORITY TO EXECUTE

The person executing this Agreement on behalf of the Contractor warrants that: (1) the Contractor is duly organized and existing; (2) he/she is duly authorized to execute this Agreement on behalf of the Contractor; (3) by so executing this Agreement, the Contractor is formally bound to the provisions of this Agreement; and (4) the entering into this Agreement does not violate any provision of any other Agreement to which the Contractor is bound.

ARTICLE 17 -- MISCELLANEOUS

A. This Agreement contains all the terms and conditions applicable to the parties and supersedes all oral negotiations and prior writing with respect to the subject matter hereof.

B. Contractor shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement.

C. Contractor shall indemnify and hold harmless Agency from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature, including attorneys' fees and costs, presented, brought, or recovered against Agency for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Contractor's performance under this Agreement.

D. Contractor shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code Section 1735.

E. In the event of any conflict between the terms, conditions, and provisions of this Agreement and any such agreement, document, or instrument, the terms and conditions of this Agreement shall prevail. This Agreement is a fully integrated

agreement and may only be amended or modified by written agreement which is signed by authorized representatives of the parties.

F. The parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

G. This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

H. In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

I. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach shall not be deemed to be waive of any other breach of the same or any other provision hereof.

J. Article titles, paragraph titles, section titles, or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

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

Inglewood Redevelopment Agency

James T. Butts, Jr., Agency Chairman

The Ferguson Group, LLC.

William Ferguson, Jr. CEO

ATTEST:

Yvonne Horton, Agency Secretary

APPROVED AS TO FORM:

Cal P. Saunders, Agency Counsel

ACORD® CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/28/2011

PRODUCER
State Farm Insurance, Mark Spitale - Agent
23211 Stringtown RD
Clarksburg MD 20871

THIS CERTIFICATE IS ISSUED AS MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
THE FERGUSON GROUP LLC
SUITE 300
1130 CONNECTICUT AVE NW
WASHINGTON DC 20036-3981

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Farm Fire and Casualty Company	25143
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
X	X	GENERAL LIABILITY	99-BU-8962-7	4/8/11	4/8/12	EACH OCCURRENCE	$ 1,000,000
		X COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
		CLAIMS MADE X OCCUR				MED EXP (Any one person)	$ 5,000
		X Hired Auto				PERSONAL & ADV INJURY	$ 0
		X Nonowned Auto				GENERAL AGGREGATE	$ 2,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$ 2,000,000
		POLICY PRO-JECT LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
X		EXCESS/UMBRELLA LIABILITY	99-BU-8978-1	4/8/11	4/8/12	EACH OCCURRENCE	$ 4,000,000
		X OCCUR CLAIMS MADE				AGGREGATE	$ 4,000,000
							$
		DEDUCTIBLE					$
		X RETENTION $ 10000.					$
X		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	99-M3-2334-9	4/8/11	4/8/12	WC STATUTORY LIMITS X OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
		OTHER					

BK CPS

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Legislative Lobbyist

CERTIFICATE HOLDER

Inglewood Redevelopment Agency
One W. Manchester Blvd.
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Mark Spitale, agent 301-916-5543

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IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

SECTION II ADDITIONAL INSURED ENDORSEMENT

Policy No.: 99-BU-8962-7

Named Insured:
THE FERGUSON GROUP LLC
STE 300
1130 CONNECTICUT AVE NW
WASHINGTON DC 20036-3981

Additional Insured (include address):

Certificate Holder & Additional Insured:

Inglewood Redevelopment Agency
One W. Manchester Blvd.
Inglewood, CA 90301

WHO IS AN INSURED, under SECTION II DESIGNATION OF INSURED, is amended to include as an insured the Additional Insured shown above, but only to the extent that liability is imposed on that Additional Insured solely because of **your work** performed for that Additional Insured shown above.

Any insurance provided to the Additional Insured shall only apply with respect to a claim made or suit brought for damages for which you are provided coverage.

The Primary Insurance coverage below applies only when there is an "X" in the box.

☒ **Primary Insurance.** The insurance provided to the Additional Insured shown above shall be primary insurance. Any insurance carried by the Additional Insured shall be noncontributory with respect to coverage provided to you.

All other provisions of the policy apply.

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/28/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
703-241-7847 703-241-7849
The Robert W. Pierce Insurance Agency, Inc.
410 S. Washington Street
Falls Church, VA 22046

CONTACT NAME:
PHONE (A/C, No, Ext): 703-241-7847 FAX (A/C, No): 703-241-7849
E-MAIL ADDRESS: ungerr@nationwide.com
PRODUCER CUSTOMER ID #:

INSURED
The Ferguson Group, LLC
1130 Connecticut Avenue NW #300
Washington, DC 20036

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: Evanston Insurance Company
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY							
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE / OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
	AUTOMOBILE LIABILITY							$
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident)	$
	ALL OWNED AUTOS						BODILY INJURY (Per person)	$
	SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS						PROPERTY DAMAGE (Per accident)	$
	NON-OWNED AUTOS							$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DEDUCTIBLE							$
	RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Errors & Omissions			EO-842313	01/01/11	01/01/12	$1,000,000 Occurrence $2,000,000 Aggregate	

OK CPS

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

Inglewood Redevelopment Agency
One W. Manchester Blvd
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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11-170

AGREEMENT NO.: 11-071/R-11-009

THIS AGREEMENT is made and entered into this 7th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and NINYO & MOORE INC., a California Corporation, (hereinafter referred to as the "Consultant"), with its principal place of business at 5710 Ruffin Road, San Diego, California, 92123-10103.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional Phase 1 and 2 environmental consulting services assistance and site assessment assistance; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City, the Agency and the Consultant (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3, 2010 (**EXCLUDING: 1. Lead Based Paint Survey and Abatement; 2. Asbestos**

Surveys and Management Plans; 3. Asbestos Abatement and 4. Third-Party Oversight and Specification Preparation);

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or its designated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Meet all the applicable requirements of the following: REA (Registered Environmental Assessor Program), ACSM (American Congress on Surveying and Mapping, 1999) CAL OSHA (Occupational Safety & Health Administration), DCA (California Department of Consumer Affairs), RG (Registered Geologist), FEMA (Federal Emergency Management Agency), PE (Professional Engineer), GPS (Global Positioning System), CHG (Certified Hydro Geologist), ASTM (American Standards Test Method), CAL H & S (California Health & Safety Code), CFR (Code of Federal Regulation), CAL LABOR CODE (Sections 1777.5, 1770 thru 1776 & all pertinent related sections), AQMD (South Coast Air Quality Management District);

7. Identify (Phase One - Environmental Site Assessment) environmental concerns attributed to current and past property uses, and to determine liability and business risk related to environmental issues on a property;

8. Conduct Phase I ESA in accordance with the current American Standards Test Method (ASTM) E1527-05 standard and the EPA All Appropriate Inquiry (AAI) rule. The quality and reliability of a Phase I ESA report depends on the knowledge, experience and thoroughness of the scientist conducting the assessment;

9. Comply with ASTM standards currently in place. They typically include the following steps listed below. On-site visual inspection of the subject property;

10. Visually inspect adjacent properties, as viewed from the subject site and public property;

11. Review available geological documentation;

12. Review federal, state and local regulatory databases to identify reported environmental conditions associated with the Subject Property and surrounding properties;

13. Review available historical documents including aerial photographs, fire insurance maps and city directories, to assist in determining past uses of the subject site;

14. Perform a historical chain-of-title review to determine past ownership of the site;

15. Interview current and past property owners and occupants, and local government officials, regarding uses of the property and known environmental issues;

16. Submit a report presenting the assessment findings, recommendations and all references/sources of information;

17. Maintain an up to date knowledge regarding any changes to the ASTM standards over the term of the contract;

18. Perform Phase II Environmental Site Assessments (ESA) which typically involves the collection and laboratory analysis of soil, surface water and/or groundwater samples to confirm the presence and extent of chemical contamination on a property. The scope of a Phase II ESA is often based on the findings of a Phase I ESA, or interim response to a spill/release of contaminants;

19. Be experienced in multi-media sampling techniques, including subsurface investigation through soil boring advancement, monitoring well installation, and ground-penetrating radar survey;

20. Agree that the Owner has a crucial interest in obtaining accurate and

straightforward information regarding the environmental condition of a property in order to make incisive decisions regarding property assets, therefore the Consultant shall place great emphasis on presenting all analytical data, findings and recommendations in a technically sound, concise and easy to understand report format to ensure that the Owner fully understands the findings;

21. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

22. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

23. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified professional staff shall sign all final reports and recommendations;

24. Ensure that all final documents include a certification stating that "the

review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

25. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

26. Obtain and maintain, at its own expense, all necessary licenses and permits, including but not limited to those required by City, county, state, and federal governments to perform the services contemplated by this Agreement;

27. Take great pride in its exhaustive attention to detail that often exceeds the industry standard, which provides the Owner with confidence when making property acquisition/transaction decisions;

28. Agree that it is aware that there is no guarantee that the Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

29. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and

shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to Consultant. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

NINYO & MOORE Inc.

CATEGORY	RATE/HOUR
Principal Engineer/Geologist/Environmental Scientist	$154
Senior Engineer/Geologist/Environmental Scientist	$148
Senior Project Engineer/Geologist/Environmental Scientist	$145
Project Engineer/Geologist/Environmental Scientist	$142
Senior Staff Engineer/Geologist/Environmental Scientist	$128
Staff Engineer/Geologist/Environmental Scientist	$120

GIS Analyst	$120
Field Operations Manager	$95
Supervisory Technician	$86
Nondestructive Examination Technician, UT, MT, LP	$85
Senior Field/Laboratory Technician	$79
Field/Laboratory Technician	$79
ACI Concrete Technician	$79
Concrete/Asphalt Batch Plant Inspector	$79
Special Inspector (concrete, masonry, steel, welding, fireproof)	$79
Technical Illustrator/CAD Operator	$78
Geotechnical/Environmental/Laboratory Assistant	$66
Information Specialist	$66
Data Processing, Technical Editing, or Reproduction	$58

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. Consultant agrees that, should work be performed outside the scope of services without the prior written approval of the Owner, such work shall be deemed to

be a gratuitous effort on the part of Consultant, and Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, 90 days prior to the termination of this Agreement and at the Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Owner Funds, if the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the Owner shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **David L. Richter** shall be personally responsible for and supervise all matter assigned to it. The Owner shall have the right to designate or reject the assignment of other employees or consultants associated with The Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on Consultant's representations regarding its skills, knowledge, and certifications. The Consultant shall take great

pride in its exhaustive attention to detail that often exceeds the industry standard, which provides the Owner with confidence when making property acquisition/transaction decisions.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and Consultant is intended or created by this Agreement. Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage.

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors and Omissions Liability; **$1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

   c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

   d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified

copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the City for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters

to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
David L. Richter, Principal
Ninyo & Moore, Inc.
475 Goddard,
Suite 200
Irvine, California 92618

Agent For Service of Process
Avram Ninyo (Ninyo)
5710 Ruffin Road
San Diego, California 92123-1013

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Consultant under this Agreement are confidential and Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the

Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of

this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No Party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

///

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, the City, the Agency and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

NINYO & MOORE GEOTECHNICAL & ENVIRONMENTAL SCIENCES CONSULTANTS

DAVID L. RICHTER,
Principal

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\JALEWIS\Contracts\(Redevelopment) - Ninyo and Moore Phase One 1 11 doc

Client#: 704 NINYOMOOR1

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 06/21/11

2011 JUN 22 AM 9:59

PRODUCER
Dealey, Renton & Associates
P. O. Box 12675
Oakland, CA 94604-2675
510 465-3090 Christine Silan

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Ninyo & Moore Geotechnical &
Environmental Sciences Consultants
475 Goddard, Suite 200
Irvine, CA 92618

INSURERS AFFORDING COVERAGE

INSURER A: Travelers Property Casualty Co of Am
INSURER B: American Automobile Ins. Co.
INSURER C: Lexington Ins. Co.
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR X Contractual X RR Cont CG2417 GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [X] PROJECT [X] LOC	6308986R247	10/03/10	10/03/11	EACH OCCURRENCE	$1,000,000
					FIRE DAMAGE (Any one fire)	$300,000
					MED EXP (Any one person)	$10,000
					PERSONAL & ADV INJURY	$1,000,000
					GENERAL AGGREGATE	$2,000,000
					PRODUCTS - COMP/OP AGG	$2,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	8108986R247	10/03/10	10/03/11	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY ANY AUTO	OK CPB			AUTO ONLY - EA ACCIDENT	$
					OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
A	EXCESS LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $	CUP8986R247	10/03/10	10/03/11	EACH OCCURRENCE	$9,000,000
					AGGREGATE	$9,000,000
						$
						$
						$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WZP80993464	05/01/11	05/01/12	X WC STATUTORY LIMITS / OTHER	
					E.L. EACH ACCIDENT	$1,000,000
					E.L. DISEASE - EA EMPLOYEE	$1,000,000
					E.L. DISEASE - POLICY LIMIT	$1,000,000
C	OTHER Professional & Contractor's Pollution Liab.	013001588	10/03/10	10/03/11	$5,000,000 per Claim $5,000,000 Annl Aggr.	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

GENERAL LIABILITY POLICY EXCLUDES CLAIMS ARISING OUT OF THE PERFORMANCE OF PROFESSIONAL SERVICES.
REF: ALL OPERATIONS OF THE NAMED INSURED.

(See Attached Descriptions)

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER:

City of Inglewood
One Manchester Blvd.
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~ENDEAVOR~~ TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT ~~[struck-through text]~~

AUTHORIZED REPRESENTATIVE

DESCRIPTIONS (Continued from Page 1)

GENERAL LIABILITY/AUTOMOBILE LIABILITY ADDITIONAL INSURED: City of Ingelwood, its officers, officials, employees and volunteers.

Insurance is primary per policy form.

Waiver of Subrogation applies to Commercial General Liability, Automobile Liability and Workers Compensation Coverage.

Professional Liability Prior Acts Date 09/02/1986

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" needs to be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement forms a part of Policy No. WZP80993464

Issued to: Ninyo & Moore Geotechnical &

By: American Automobile Ins. Co.

Premium (if any) TBD

We have a right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us).

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2-5% of the California workers compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	Job Description
City of Inglewood One Manchester Blvd. Inglewood, CA 90301	REF: ALL OPERATIONS OF THE NAMED INSURED. City of Ingelwood, its officers, officials, employees and volunteers.

WC 04 03 06
(Ed. 4-84)

Countersigned by _____
Authorized Representative

POLICY NUMBER: 6308986R247

COMMERICAL GENERAL LIABILITY
ISSUE DATE: 6/21/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED ADDITIONAL INSURED - WRITTEN CONTRACT (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

NAME OF PERSON(S) OR ORGANIZATION(S):

City of Ingelwood, its officers, officials, employees and volunteers.

PROJECT/LOCATION OF COVERED OPERATIONS: All Operations of the Named Insured.

PROVISIONS

1. The following is added to **SECTION II - WHO IS AN INSURED**:

   The person or organization shown in the Schedule above is an additional insured on this Coverage Part, but:

   a. Only with respect to liability for "bodily injury", "property damage or "personal injury" and

   b. If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

   The insured provided to such additional insured is limited as follows:

   c. In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance" This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.

   d. This insurance does not apply to the rendering of or failure to render any "professional services" or construction management errors or omissions.

   e. This insurance does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to that additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

2. The following is added to Paragraph 4.a. of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

   The insurance provided to the additional insured shown in the Schedule above is excess over any valid and collectible "other

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insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover. However, if you specifically agree in the "written contract requiring insurance" that this insurance provided to the additional insured under this Coverage Part must apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But this insurance provided to the additional insured still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any "other insurance".

3. The following is add to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

Duties Of An Additional Insured

As a condition of coverage provided to the additional insured:

a. The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:

i. How, when and where the "occurrence" or offense took place;

ii. The names and addresses of any injured persons and witnesses; and

iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against the additional insured, the additional insured must:

i. Immediately record the specifics of the claim or "suit" and the date received; and

ii. Notify us as soon as practicable.

The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.

d. The additional insured must tender the defense and indemnity of any claim or "suit" to any provider of other insurance which would cover the additional insured for a loss we cover. However, this condition does not affect whether this insurance provided to the additional insured is primary to that other insurance available to the additional insured which covers that person or organization as a named insured.

4. The following definition is added to the **DEFINITIONS** Section:

"Written contract requiring insurance" means that part of any written contract or agreement with the person or organization shown in the Schedule above, under which you are required to include that person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

a. After the signing and execution of the contract or agreement by you;

b. While that part of the contract or agreement is in effect; and

c. Before the end of the policy period.

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11-171

AGREEMENT NO.: 11-072/R-11-010

THIS AGREEMENT is made and entered into this 7th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and E2 MANAGETECH, INC., (hereinafter referred to as the "Consultant"), a California Corporation, with its principal place of business at 5000 East Spring Street, Suite 720, Long Beach, California 90815.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desire professional Phase 1 and 2 environmental consulting services assistance and site assessment assistance; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal 0030; and

WHEREAS, the Consultant is willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City, the Agency and the Consultant (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3, 2010 (**EXCLUDING: 1. Lead Based Paint Survey and Abatement; 2. Asbestos**

Surveys and Management Plans; 3. Asbestos Abatement and 4. Third-Party Oversight and Specification Preparation);

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or its designated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Meet all the applicable requirements of the following: REA (Registered Environmental Assessor Program), ACSM (American Congress on Surveying and Mapping, 1999) CAL OSHA (Occupational Safety & Health Administration), DCA (California Department of Consumer Affairs), RG (Registered Geologist), FEMA (Federal Emergency Management Agency), PE (Professional Engineer), GPS (Global Positioning System), CHG (Certified Hydro Geologist), ASTM (American Standards Test Method), CAL H & S (California Health & Safety Code), CFR (Code of Federal Regulation), CAL LABOR CODE (Sections 1777.5, 1770 thru 1776 & all pertinent related sections), AQMD (South Coast Air Quality Management District);

7. Identify (Phase One - Environmental Site Assessment) environmental concerns attributed to current and past property uses, and to determine liability and business risk related to environmental issues on a property;

8. Conduct Phase I ESA in accordance with the current American Standards Test Method (ASTM) E1527-05 standard and the EPA All Appropriate Inquiry (AAI) rule. The quality and reliability of a Phase I ESA report depends on the knowledge, experience and thoroughness of the scientist conducting the assessment;

9. Comply with ASTM standards currently in place. They typically include the following steps:

a. On-site visual inspection of the subject property;

b. Visually inspect adjacent properties, as viewed from the subject site and public property;

c. Review available geological documentation;

d. Review federal, state and local regulatory databases to identify reported environmental conditions associated with the Subject Property and surrounding properties;

e. Review available historical documents including aerial photographs, fire insurance maps and city directories, to assist in determining past uses of the subject site;

f. Perform a historical chain-of-title review to determine past ownership of the site;

g. Interview current and past property owners and occupants, and local government officials, regarding uses of the property and known environmental issues;

h. Submit a report presenting the assessment findings, recommendations and all references/sources of information;

i. Maintain an up to date knowledge regarding any changes to the ASTM standards over the term of the contract;

10. Perform Phase II Environmental Site Assessments (ESA) which typically involves the collection and laboratory analysis of soil, surface water and/or groundwater samples to confirm the presence and extent of chemical contamination on a property. The scope of a Phase II ESA is often based on the findings of a Phase I ESA, or interim response to a spill/release of contaminants;

11. Be experienced in multi-media sampling techniques, including subsurface investigation through soil boring advancement, monitoring well installation, and ground-

penetrating radar survey;

12. Agree that the Owner has a crucial interest in obtaining accurate and straightforward information regarding the environmental condition of a property in order to make incisive decisions regarding property assets, therefore the Consultant shall place great emphasis on presenting all analytical data, findings and recommendations in a technically sound, concise and easy to understand report format to ensure that the Owner fully understands the findings;

13. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

14. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

15. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified

professional staff shall sign all final reports and recommendations;

16. Ensure that all final documents include a certification stating that "the review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

17. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

18. Obtain and maintain, at its own expense, all necessary licenses and permits, including but not limited to those required by City, county, state, and federal governments to perform the services contemplated by this Agreement;

19. Take great pride in its exhaustive attention to detail that often exceeds the industry standard, which provides the Owner with confidence when making property acquisition/transaction decisions;

20. Agree that it is aware that there is no guarantee that the Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

21. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its

powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Consultant. Furthermore, the Owner shall not be responsible for any costs associated with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

E2 MANAGETECH, INC.

CLASSIFICATION	RATE/HOUR
Clerk	$55
Technical Assistant/Word Processor	$75
Technician	$85
Drafter/Illustrator	$85

Technical Editor	$85
Senior Drafter/Illustrator	$85
Senior Technician	$95
Lab/Field Supervisor	$95
Assistant Staff Professional	$85
Staff Professional	$95
Senior Staff Professional	$105
Assistant Project Professional	$115
Project Professional	$125
Senior Project Professional	$135
Consulting Professional	$145
Senior Consulting Professional	$155
Principal/Senior Principal	$165
ANALYTICAL TEST	**UNIT RATE**
Asbestos	
Bulk-PLM-EPA 600 (standard 5 day TAT)	$6
Air-PCM-Niosh 7400	$5
Air-TEM-AHERA and Level II air analysis	$40
Lead via Flame AA	
Chips, wipes, airs, and soils (standard 5 day TAT)	$6
ICP Metals (individual metals)	
6010B/200.7 (low level metals (standard 5 day TAT)	$17
TCLP (individual metal)	$42
TTLC (including digestion) (individual metal)	$17
STLC	$42.60
Title 22 (CAM 17) Metals (includes digestion)	$90

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by Consultant and shall

contain:

(a) date of invoice;

(b) sequential invoice number;

(c) City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. Consultant agrees that, should work be performed outside the scope of services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of Consultant, and Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, within 90 days prior to the termination of this Agreement and at the Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of Owner Funds, if the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the Owner shall pay the Consultant an amount

which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **Daryl Hernandez** shall be personally responsible for and supervise all matters assigned to it. The Owner shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant shall take great pride in its exhaustive attention to detail that often exceeds the industry standard, which provides the Owner with confidence when making property acquisition/transaction decisions.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the

Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto) or Code 8 and 9 (hired and/or non-owned autos).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage.

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors and Omissions Liability; **$1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

   c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended

reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active

negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Owner for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

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ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the the Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective Parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
Glenn J. Mayer, President
E2 Managetech, Inc.,
5000 East Spring Street,
Suite 720
Long Beach, California 90815

Agent For Service of Process
Glenn J. Mayer
5000 East Spring Street,
Suite 720
Long Beach, California 90815

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the Owner in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Consultant under this Agreement are confidential and Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any

attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by Consultant shall not constitute a waiver of any of the provisions of this

Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall

be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, the City, the Agency, and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

E2 MANAGETECH, INC.

GLENN J. MAYER,
President

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\ALL\WS\Contracts\Redevelopment\ E2 Managetech Guidelines 5.11.doc

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID AG E2MANA1

DATE (MM/DD/YYYY) 07/14/10

PRODUCER

Wateridge Insurance Services
10717 Sorrento Valley Rd.
San Diego CA 92121
Phone: 858-452-2200 Fax: 858-452-6004

CITY OF INGLEWOOD 2011 JUN 20 AM 9:41

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

E2 ManageTech, Inc.
5000 E Spring St. #720
Long Beach CA 90815

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Hudson Insurance Company	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC	ESB1776131002	06/07/10	06/07/11	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
A		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	ESB1776131002	06/07/10	06/07/11	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
A		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $	ESB1776201002	06/07/10	06/07/11	EACH OCCURRENCE AGGREGATE	$ 4,000,000 $ 4,000,000 $ $ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
		OTHER					
A		Professional	ESB1776131002	06/07/10	06/07/11	Per Claim	$1,000,000
A		Pollution	ESB1776131002	06/07/10	06/07/11	Per Cond	$1,000,000

OK CPS

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*EXCEPT 10 DAYS NOTICE OF CANCELLATION FOR NON-PAYMENT OF PREMIUM.
PROFESSIONAL LIABILITY RETROACTIVE DATE: 2/1/09.

CERTIFICATE HOLDER

PROO001

PROOF OF INSURANCE

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

© ACORD CORPORATION 1988

CITY OF INGLEWOOD

SHORT FORM AGREEMENT NO. 11-177 MSF

City of Inglewood/Inglewood Redevelopment Agency
(Indicate whether City or name of the Agency).

THIS AGREEMENT is entered into this 26th day of July ,20 11 , by and between the CITY OF INGLEWOOD or any of its authorized agencies ("Inglewood") and Gwynne Pugh Urban Studio ("Contractor/Consultant").

IN CONSIDERATION of the performance of their mutual covenants, the parties hereto agree as follows:

1. SERVICES. Contractor/Consultant agrees to perform the services included in its proposal attached hereto as Exhibit "A" and made a part hereof by this reference and/or to include the following:
Urban design consulting services to include the review of project proposed by private and public/profit developers.

2. TIME LIMIT. Said services shall be completed prior to July 26 2012, (or within _____ days after Notice to Proceed). Time is of the essence of this agreement.

3. AGENCY PRECLUDED. No agency affecting or binding Inglewood shall be created by virtue of this agreement. The Contractor/Consultant shall be acting at all times as an "independent contractor" and as such shall hold Inglewood harmless for any actions involving negligence or intentional tort on the part of the Contractor/Consultant.

4. COMPENSATION. Inglewood agrees to pay Contractor/Consultant the sum of $ n/a upon completion of the herein designated services or (if not in one sum) payments of $_____ on _____ date(s) or in the alternative payments will be made as follows: as billed.
In no event shall the total compensation exceed the sum of $ 20,000

5. WORKMANLIKE MANNER. Contractor/Consultant agrees to perform all services herein in a workmanlike manner.

6. CHANGES. No change, amendment or modification to this agreement shall be effective unless it is in writing and signed by the parties hereto.

7. ADDITIONAL PROVISIONS. (If any) Exhibit "B", the attached 4 paged document, entitled Terms and Conditions, are incorporated herein as if set forth in full.

NAME: Gwynne Pugh Urban STudio

ADDRESS: 2600 20th Street
Suite 171, Santa Monica, CA 90405

ATTEST:

CITY CLERK/SECRETARY

SIGNATURE: Gwynne Pugh
Contractor/Consultant (If corporation--officer's signature and title).

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF INGLEWOOD, a municipal corporation
INGLEWOOD REDEVELOPMENT AGENCY
INGLEWOOD HOUSING AUTHORITY

BY _____

CITY ADMINISTRATOR

2011 JUL 26 AM 11:26
RECEIVED
CITY CLERK
CITY OF INGLEWOOD

FUND	AGENCY	ORG	ACTIVITY	OBJ	SUB OBJ
160	030	3040	42830.00		
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ACCOUNTING VERIFICATION BY: DATE

CITY OF INGLEWOOD

11-182

SHORT FORM AGREEMENT

NO. 11-182

City of Inglewood
(Indicate whether City or name of the Agency).

THIS AGREEMENT is entered into this 4th day of August, 20 11, by and between the CITY OF INGLEWOOD or any of its authorized agencies ("Inglewood") and Gordon R. Anderson ("Contractor/Consultant").

IN CONSIDERATION of the performance of their mutual covenants, the parties hereto agree as follows:

1. SERVICES. Contractor/Consultant agrees to perform the services included in its proposal attached hereto as Exhibit "A" and made a part hereof by this reference and/or to include the following:
Mr. Anderson will assist the City Manager and Assistant City Manager for Development in a number of key projects.

2. TIME LIMIT. Said services shall be completed prior to August 31 20 11, (or within _____ days after Notice to Proceed). Time is of the essence of this agreement.

3. AGENCY PRECLUDED. No agency affecting or binding Inglewood shall be created by virtue of this agreement. The Contractor/Consultant shall be acting at all times as an "independent contractor" and as such shall hold Inglewood harmless for any actions involving negligence or intentional tort on the part of the Contractor/Consultant.

4. COMPENSATION. Inglewood agrees to pay Contractor/Consultant the sum of $ 20,000 upon completion of the herein designated services or (if not in one sum) payments of $_____ on _____ date(s) or in the alternative payments will be made as follows: _____
In no event shall the total compensation exceed the sum of $20,000

5. WORKMANLIKE MANNER. Contractor/Consultant agrees to perform all services herein in a workmanlike manner.

6. CHANGES. No change, amendment or modification to this agreement shall be effective unless it is in writing and signed by the parties hereto.

7. ADDITIONAL PROVISIONS. (If any) Mr. Gordon shall be paid an hourly rate of $140. In an effort to give a 10 percent reduction in his rate, Mr. Gordon will work a maximum of 36 hours per week ($5,040). Exhibit "B," the attached 4 paged document, entitled Terms and Conditions, are incorporated herein as if set forth in full.

NAME: Gordon R. Anderson

ADDRESS: 5002 South Charlton
Los Angeles, CA 90056

ATTEST:

CITY CLERK/SECRETARY

SIGNATURE:
Contractor/Consultant (If corporation--officer's signature and title).

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF INGLEWOOD, a municipal corporation
INGLEWOOD REDEVELOPMENT AGENCY
INGLEWOOD HOUSING AUTHORITY

BY

CITY ~~ADMINISTRATOR~~ MANAGER

FUND	AGENCY	ORG	ACTIVITY	OBJ	SUB OBJ
100	030	3040		11001	
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ACCOUNTING VERIFICATION BY: DATE

11-199

AGREEMENT NO.: 11-074/R-11-012

THIS AGREEMENT is made and entered into this 7th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and MILLENNIUM CONSULTING ASSOCIATES, a MECA Consulting, Inc. Company, a California Corporation, (hereinafter referred to as the "Consultant") with its principal place of business at 620 Contra Costa Boulevard, Suite 102, Pleasant Hill, California 94523.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desires professional consulting services to perform lead base paint and asbestos environmental site assessment; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal 0030; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City, the Agency and the Consultant, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3,

2010 **(EXCLUDING: 1. Phase One – Environmental Site Assessment; and 2. Phase 2 ESA – Sampling and Remediation)** incorporated herein by this reference;

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or itsdesignated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on the Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Include the collection of bulk (paint chip) samples and monitoring of airborne lead concentrations performed by certified Lead Risk Assessors trained and experienced in assessment methodology;

7. Be and/or use Lead Risk Assessors who are certified to conduct lead inspections per applicable Federal, State, and/or municipal requirements. The Consultant shall also include State of California certified Lead Workers licensed to conduct lead hazard abatement/removal;

8. Have extensive experience conducting lead inspections and abatement projects in residential, commercial, and industrial settings. The Consultant's duties shall include overseeing on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications;

9. Be trained, including his assistant, and experienced in survey protocol and sampling methodologies per EPA AHERA and NESHAP regulations;

10. Develop effective asbestos management plans for residential, industrial and/or commercial facilities as each site warrants;

11. Be experienced in a wide range of asbestos abatement projects involving

a variety of settings from single-family homes, to schools, to heavy manufacturing facilities and oil refineries. The Owner expects the Consultant to use innovative and adaptive methodology, while strictly adhering to and complying with regulations to achieve the goals set forth in the scope of work;

12. Have extensive experience in the removal, encapsulation and enclosure of numerous types of asbestos materials;

13. Include, in its duties, overseeing on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications. All work shall be performed in a professional, safe manner and in accordance with Cal-OSHA guidelines;

14. Work to ensure completion of a cost-effective asbestos/lead paint abatement project completed on time and in accordance with federal, state and local regulations;

15. Agree to be a responsible advocate on behalf of the Owner;

16. Provide Project specification documents and third-party oversight during the abatement phase of an abatement/demolition project(s). Pre-project management includes development of a detailed scope of work, procedural specifications, abatement schedules, and contractor bidding documents. Project oversight typically includes contractor supervision, documentation of removal activities and performing air-monitoring and sample analysis to ensure regulatory compliance;

17. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

18. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in

a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

19. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified professional staff shall sign all final reports and recommendations;

20. Ensure that all final documents include a certification stating that "the review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

21. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

22. Obtain and maintain, at its own expense, all necessary licenses and

permits, including but not limited to those required by the City, county, state, and federal governments to perform the services contemplated by this Agreement;

23. Perform all services and prepare all work products required by this Agreement in a first-class manner and shall conform to the highest and best professional standards of quality observed by a person practicing in the Consultant's profession;

24. Agree that it is aware that there is no guarantee that the Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

25. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Consultant. Furthermore, the Owner shall not be responsible for any costs associated

with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

MILLENNIUM CONSULTING ASSOCIATES

Task 1: Hazardous Materials Pre-design Investigation

Labor Category	Description of Work	Hourly Rate per SOQ
Senior Project Manager	Project Mgmt, Quality Assurance	$105
Project Professional	Sample Collection, Report Preparation	$75
Field Surveyor	Sample Collection	$60
Administrative Support	Clerical, Data Entry, etc.	$45
Other	Analytical	See below

Task 2: Development of Hazardous Materials Abatement Documents

Labor Category	Description of Work	Total
Senior Project Manager	Project Mgmt, Quality Assurance	$105
Project Professional	Specification/Workplan Development	$75
Drafter	Autocad	$60
Administrative Support	Clerical, Data Entry, etc.	$45

Task 3: Bidding Services

Labor Category	Description of Work	Hourly Rate per SOQ
Senior Project Manager	Project Mgmt, Quality Assurance	$105
Project Professional	Specification/Workplan Development	$75
Drafter	Autocad	$60
Administrative Support	Clerical, Data Entry, etc.	$45

Task 4: Inspection & Monitoring

Labor Category	Description of Work	Hourly Rate per SOQ
Senior Project Manager	Project Mgmt, Quality Assurance	$105

Project Professional	Project Management	$75
Administrative Support	Clerical, Data Entry, etc.	$45
Shift Rate – Regular	4-hour	$300
	8-hour	$575
	10-hour	$810
	12-hour	$985

Task 5: Project Closeout

Labor Category	Description of Work	Hourly Rate per SOQ
Senior Project Professional	Q/A	$105
Project Professional	Report Preparation	$75
Administrative Support	Clerical, Data Entry, etc.	$45

Other Associated Fees

Lab Fees	Turn Around Time			
Analyte/Method	**<8 Hour**	**24 Hour**	**72 Hour**	**5-day**
PCM	$15	$12	$10	$10
PLM (≤ 3 layers)	$25	$20	$16	$16
PLM (≥ 4 layers)	$40	$35	$32	$32
Pt. Count (400)	n/a	$65	$45	$45
Pt. Count (1200)	n/a	$170	$135	$135
TEM (AHERA)	$100	$80	$70	$70
TEM -Microvac Qualitative	$110	$110	$95	$95
TEM – Microvac, Quantitative Fibers/Area	$280	$250	$150	$150
Lead – Wipe/Bulk	n/a	$20	$15	$15
Lead – Air	n/a	$20	$15	$15
Lead – Water	n/a	$20	$15	$15
Mold – Nonviable	$110	$80	$70	$70
Mold – Viable	n/a	n/a	n/a	$70 (7-day)

Post Abatement Waste Testing

	24 Hour	48 Hour	72 Hour	5-Day
TCLP	n/a	$95	$85	$75
STLC	$35	$25	$22	$18
TTLC	n/a	$25	$22	$18

Labor Rates, Not Elsewhere Provided

CATEGORY	RATE/HOUR
Principal, CIH, PE	$140
Senior Project Manager	$105

Project Engineer/IH	$95
Staff Engineer/IH	$75
Field Engineer/IH	$60

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. The Consultant agrees that, should work be performed outside the Scope of Services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, 90 days prior to the termination of this Agreement and at the Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of the Owner's Funds, if the

Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the City shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **Jack McCubbin** shall be personally responsible for and supervise all matter assigned to it. The Owner shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant agrees to perform all work in a professional, safe manner and in accordance with Cal-OSHA guidelines, including federal, state, and local operation and safety regulations.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

The Consultant shall procure and maintain for the duration of the contract

insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

The Consultant shall maintain no less than:

1. **General Liability:** **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. **Automobile Liability:** **$1,000,000** per accident for bodily injury and property damage.

3. **Employer's Liability:** **$1,000,000** per accident for bodily injury or disease.

4. **Errors and Omissions Liability; $1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract

work.

c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. The Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Owner for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective the Parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
Jack McCubbin, Senior Vice-President
Millennium Consulting Associates.
1810 14th Street
Suite 214
Santa Monica, California 90404

Agent For Service of Process
Jack Mccubbin (Millennium)
620 Contra Costa Blvd., Suite 102
Pleasant Hill, California 94523

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any

attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the Owner of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this

Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all the Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall

be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, the City, the Agency and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

MILLENNIUM CONSULTING ASSOCIATES

JACK McCUBBIN,
Senior Vice-President

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\JALEWIS\Contracts\(Redevelopment) - Millennium Consulting Lead and Asbestos Draft 1 11.doc

OP ID: MT

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04/27/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

2011 JUN 20

PRODUCER
Van Oppen & Co. 2
P.O. Box 793
Teton Village, WY 83025
800-746-0048
303-232-6738

CONTACT NAME: Marlyse Taylor
PHONE (A/C, No, Ext): 800-746-0048 FAX (A/C, No): 303-232-6738
E-MAIL ADDRESS: service@vanoppenco2.com
PRODUCER CUSTOMER ID #: MECAC-1

INSURED
Meca Consulting, Inc. dba
Millennium Consulting Assoc.
620 Contra Costa Blvd. Ste 102
Pleasant Hill, CA 94523

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Liberty Surplus Insurance Co.	10725
INSURER B : Federal Insurance Company	20281
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X Professional Liab X CPL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC			UVE-DE-103251-110 PROF LIAB - CLAIMS MAD	07/26/10	07/26/11	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 100,000 $ 10,000 $ 2,000,000 $ 2,000,000 $ 2,000,000 $
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			UVE-DE-103251-110	07/26/10	07/26/11	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DEDUCTIBLE RETENTION $			OK CPS			EACH OCCURRENCE AGGREGATE	$ $ $ $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		004-4727003	05/01/10	05/01/11	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
A	PL-Microbiogical Services			UVE-DE-103251-110 SUBJECT TO GL AGGREGATE	07/26/10	07/26/11	Ea Claim Aggregate	1,000,000 Incl in GL

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
City of Inglewood, its officers, officials, employees and volunteers are named as Additional Insured for General Liability as required by written contract. Coverage shall be primary/non-contributory and a Waiver of Subrogation applies. 10 days notice of cancellation for non-payment and 30 days notice/other.

2011 JUN 20 AM 9:11

CERTIFICATE HOLDER

City of Inglewood
ATTN: Yvonne Horton
City Clerk
One Manchester Blvd, 4th Floor
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
F. van Oppen

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LIU Environmental Advantage™

LSI Corporation

LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF SUBROGATION

Effective Date:	July 26, 2010	Expiration Date:	July 26, 2011
Policy Number:	UVE-DE-103251-110	Endorsement No. 7	
Issued To:	Meca Consulting, Inc. DBA: Millenium Consulting Associates		

It is hereby agreed that, **SECTION V - CONDITIONS**, item 14. **Subrogation** is modified as follows:

SCHEDULE

Name of Person or Organization: Blanket where required by written contract.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The Subrogation Condition (Section V - Conditions) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule above.

All other terms, conditions and exclusions shall remain the same.

LIU Environmental Advantage™

LSI Corporation
Member of Liberty Mutual Group

LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED / PRIMARY COVERAGE ENDORSEMENT

Effective Date:	July 26, 2010	Expiration Date:	July 26, 2011
Policy Number:	UVE-DE-103251-110	Endorsement No. 3	
Issued To:	Meca Consulting, Inc. DBA: Millenium Consulting Associates	Premium:	$Included

In consideration of an additional premium of $Included, it is hereby agreed that the following is included as an Additional Insured as respects Coverage A, B and D but only as respects liability arising out of "your work" for the Additional Insured by or for you.

Additional Insured: Blanket where required by written contract.

This does not apply to "bodily injury", "property damage" or "environmental damage" arising out of the sole negligence or wilful misconduct of, or for defects in design furnished by, the Additional Insured.

As respects the coverage afforded the Additional Insured, this insurance is primary and non-contributory, and our obligations are not affected by any other insurance carried by such Additional Insured whether primary, excess, contingent, or on any other basis.

This endorsement does not increase the Company's limits of liability as specified in the Declarations of this policy.

All other terms, conditions and exclusions shall remain the same.

11-200

AGREEMENT NO.: 11-076/R-11-014

THIS AGREEMENT is made and entered into this 7th day of June, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and ACC ENVIRONMENTAL CONSULTANTS, INC., a California Corporation, (hereinafter referred to as the "Consultant") with its principal place of business at 1055 Wilshire Boulevard Suite 1450, Los Angeles, California 90017.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") desires professional consulting services to perform lead base paint and asbestos environmental site assessment; and

WHEREAS, the Consultant will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental property issues, handle the review and analysis of environmental documents and provide, on an as needed basis, counsel to the Owner; and

WHEREAS, on January 21, 2010, the Agency issued a Request For Proposal 0030 (hereinafter referred to as the "Project"); and

WHEREAS, twenty-five firms, of which the Consultant is one, submitted proposals to the Agency in response to its Request For Proposal 0030; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the Owner needs.

NOW, THEREFORE, the City, the Agency and the Consultant, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall:

1. Provide Environmental Services in a professional manner and in accordance with Exhibit "A," Request For Proposals, (RFP-0030), dated February 3,

2010 **(EXCLUDING: 1. Phase One – Environmental Site Assessment; and 2. Phase 2 ESA – Sampling and Remediation)** incorporated herein by this reference;

2. Agree that in the event of a conflict, ambiguity, or uncertainty between this Agreement and Exhibit "A," the following order of precedence, shall control:

a. First: This Agreement;

b. Second: Exhibit "A."

3. Coordinate work with the customers and will keep the Owner or its designated representative informed of all the daily activities;

4. Minimize, If applicable, disturbances to users of the premises;

5. Provide a written report, based on the Consultant's assessment and site surveys, with recommendations for the need of further investigation and specifications to abatement of the presence of hazardous material;

6. Include the collection of bulk (paint chip) samples and monitoring of airborne lead concentrations performed by certified Lead Risk Assessors trained and experienced in assessment methodology;

7. Be and/or use Lead Risk Assessors who are certified to conduct lead inspections per applicable Federal, State, and/or municipal requirements. The Consultant shall also include State of California certified Lead Workers licensed to conduct lead hazard abatement/removal;

8. Have extensive experience conducting lead inspections and abatement projects in residential, commercial, and industrial settings. The Consultant's duties shall include overseeing on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications;

9. Be trained, including his assistant, and experienced in survey protocol and sampling methodologies per EPA AHERA and NESHAP regulations;

10. Develop effective asbestos management plans for residential, industrial and/or commercial facilities as each site warrants;

11. Be experienced in a wide range of asbestos abatement projects involving

a variety of settings from single-family homes, to schools, to heavy manufacturing facilities and oil refineries. The Owner expects the Consultant to use innovative and adaptive methodology, while strictly adhering to and complying with regulations to achieve the goals set forth in the scope of work;

12. Have extensive experience in the removal, encapsulation and enclosure of numerous types of asbestos materials;

13. Include, in its duties, overseeing on-site remedial activities during the environmental abatement and demolition phases for compliance with abatement specifications. All work shall be performed in a professional, safe manner and in accordance with Cal-OSHA guidelines;

14. Work to ensure completion of a cost-effective asbestos/lead paint abatement project completed on time and in accordance with federal, state and local regulations;

15. Agree to be a responsible advocate on behalf of the Owner;

16. Provide Project specification documents and third-party oversight during the abatement phase of an abatement/demolition project(s). Pre-project management includes development of a detailed scope of work, procedural specifications, abatement schedules, and contractor bidding documents. Project oversight typically includes contractor supervision, documentation of removal activities and performing air-monitoring and sample analysis to ensure regulatory compliance;

17. Provide, upon Project completion, the Owner with a detailed Final Report documenting all contractor activities, daily progress logs, analytical results, and records of Project disputes and resolutions;

18. Provide an initial draft report for the Owner's review, comments and input, prior to delivery of the final report. The final report shall have certification with an original signature with a statement of oversight from a state certified professional; include the Hazardous Waste Manifest for the job properly signed by all parties as proof that hazardous material generated at the site and abated has been properly disposed in

a federal/state approved disposal dump site; and the Final Report delivery shall contain two paper bound copies with one electronic copy. Though the report format may be specified by the Owner for consistency and ease of reference, an electronic copy of the Final Report shall include any and all source data for the reports in commercially available widely used platform such as PC based Microsoft Office® product;

19. Ensure that all maps, plats, reports, recommendations, descriptions and related documents are prepared and reviewed by or under the direct supervision of a registered professional staff person who is currently licensed in the State of California by the Board for Professional Engineers; a Department of Toxic Substances Control (DTSC) certified Registered Environmental Assessor II (REA); a Department of Health Services (DHS) certified Project Monitor or Project Designer on staff; a Certified Asbestos Consultant (CAC) on staff; a Certified Industrial Hygienist (CIH) on staff; or equivalent in professional standard within the field of responsible activity. Only certified professional staff shall sign all final reports and recommendations;

20. Ensure that all final documents include a certification stating that "the review and approval of work was done under the supervision of a registered Professional or staff person who is currently licensed in the State of California" by the Board for Professional Engineers or equivalent in professional standard and must be signed and sealed by the Registered Environmental Professional in California responsible for the quality. Rubber stamps of signatures are not acceptable. Rubber stamps of seals are acceptable. The certification may be in any form desired but shall contain the original signed statement at a minimum;

21. Indicate proposed laboratories for sampling and analysis of lead and asbestos samples whether from paint, bulk construction components; air, soil, water, or waste debris; and summarize laboratory qualifications, licenses, accreditation, and indicate history of working relationship with your firm. Specify typical turn-around time and proposed alternative(s) if primary laboratory is busy or not available;

22. Obtain and maintain, at its own expense, all necessary licenses and

permits, including but not limited to those required by the City, county, state, and federal governments to perform the services contemplated by this Agreement;

23. Perform all services and prepare all work products required by this Agreement in a first-class manner and shall conform to the highest and best professional standards of quality observed by a person practicing in the Consultant's profession;

24. Agree that it is aware that there is no guarantee that the Owner will award it any contract for services contemplated under this Agreement and that the Owner may contract for work with other consultants in support of concurrent projects;

25. Comply with all relevant federal, state, and local laws, rules, regulations, and ordinances.

ARTICLE 2 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and the Consultant, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency for the Project. Furthermore, nothing herein shall obligate the City to draw upon any funds other than the Agency funds to satisfy such obligations of this Agreement.

ARTICLE 3 - DUTIES OF THE OWNER

The Owner hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

The Owner reserves for itself the sole and complete authority to assign projects as are in its best interest. The Owner is under no obligation to assign any project to the Consultant. Furthermore, the Owner shall not be responsible for any costs associated

with the preparation or submission of any bid or proposal.

ARTICLE 4 - COMPENSATION

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed two hundred thousand dollars ($200,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The Owner agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

ACC Environmental Consultants, Inc.

CATEGORY	RATE/HOUR
Principal	$150
Certified Industrial Hygienist	$150
Professional Engineer	$150
Professional Geologist	$150
Senior Project Manager/Designer	$100
Project Manager – Designer	$95
Technician (CSST and/or DPH)	$75
Administrative Support	$45

Work Title	Cost/Unit	Unit Type
Hazardous Materials Survey, full day rate per person (8-hour shift). Includes travel time, mileage, XRF rental for lead-based paint surveys, expenses (not including sample analysis) project management, document QA/QC and final report.	$620	Day
Build asbestos analysis by Polarized light Microscopy (PLM) 8-hour turnaround	$18	Each
Build asbestos analysis by PLM 24-hour turnaround	$15	Each
Build asbestos analysis by PLM standard turnaround	$12	Each
Point counting for bulk asbestos sample analysis (400 points) 24-hour turnaround	$75	Each
Point counting for bulk asbestos sample analysis (400 points) standard turnaround	$75	Each

Point counting for bulk asbestos sample analysis (1000 points) 24-hour turnaround	$90	Each
Point counting for bulk asbestos sample analysis (1000 points) standard turnaround	$90	Each
Bulk lead analysis by Flame atomic Absorption (FAA) 24-hour turnaround	$18	Each
Bulk lead analysis by FAA standard turnaround	$15	Each
Air monitoring, full day rate per person (8-hour shift) includes travel time, mileage, expenses, project management, document QA/QC and final report.	$600	Day
Air monitoring, full date rate per person (4 hour shift) includes travel time, mileage, expenses, project management, document QA/QC and final report	$300	½ Day
Air asbestos analysis by Transmission Electron Microscopy (TEM) 8-hour turnaround	$100	Each
Air asbestos analysis by TEM 24- turnaround	$75	Each
Air asbestos analysis by Phase Contrast Microscopy (PCM) 8-hour turnaround	$15	Each
Air asbestos analysis by PCM 24-hour turnaround	$12	Each
Lead related construction monitoring, full day rate per person (8-hour shift) includes travel time, mileage, expenses, project management, document QA/QC and final report	$600	Day
Lead related construction monitoring, full day rate per person (4-hour shift) plus 8 lead air sample analysis by FAA. Includes travel time, mileage, expenses, project management, document QA/QC and final report	$300	½ Day
Lead analysis by FAA (air/wipes/bulk) 8-hour turnaround	$18	Each
Lead analysis by FAA (air/wipes/bulk) 24-hour turnaround	$15	Each
Soluble Threshold Limit Concentration (STLC) Waste Characterization	$115	Each
Total Threshold Limit Concentration (TTLC) Waste Characterization	$20	Each
Toxic Characterization Leaching Procedure (TCLP) Waste Characterization	$115	Each
Phase I Environmental Site Assessment	$2,400	Per Site
Phase I update environmental site assessment	$1,100	Per Site
Transaction Screens	$800	Per Site

2. All invoices, including invoices for work performed on future projects

contemplated by this Agreement, shall be submitted monthly by the Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) City agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the Owner and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. The Consultant agrees that, should work be performed outside the Scope of Services without the prior written approval of the Owner, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the Owner for reimbursement.

ARTICLE 5 - TERM

The term of this Agreement shall be for a period of three (3) years beginning at the execution of this Agreement. The Term, 90 days prior to the termination of this Agreement and at the Owner's sole discretion, may be extended one (1) additional year.

ARTICLE 6 - TERMINATION

This Agreement shall be subject to termination by the Owner at its own discretion or if the Owner is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of the Owner's funds, if the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Administrator or Executive Director.

In the event of such termination, the Owner shall pay the Consultant an amount

which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 7 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the Owner, **Mr. Justin Graham** shall be personally responsible for and supervise all matter assigned to it. Owner shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The Owner expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant agrees to perform all work in a professional, safe manner and in accordance with Cal-OSHA guidelines, including federal, state, and local operation and safety regulations.

ARTICLE 8 - NO AGENCY RELATIONSHIP

No Agency relationship between the Owner and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Owner, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 9 - INSURANCE

The Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of

renewal may be treated by the Owner as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

The Consultant shall maintain no less than:

1. **General Liability:** **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. **Automobile Liability:** **$1,000,000** per accident for bodily injury and property damage.

3. **Employer's Liability:** **$1,000,000** per accident for bodily injury or disease.

4. **Errors and Omissions Liability; $1,000,000** per claim.

   a. The "Retro-Date" must be shown and must be before the date of the contract or beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

   c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended

reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The Owner, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Owner, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

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d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. The Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the Owner for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

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Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the Owner and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Owner.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the Owner, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the Owner, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 11 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective the Parties as follows:

Owner
Yvonne Horton,
City Clerk
One Manchester Boulevard
Inglewood, California 90301

With a copy to
Margarita Cruz
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

Consultant
Mr. Justin Graham, Sr. Project Manager
ACC Environmental Consultants
1055 Wilshire Boulevard
Suite 1450
Los Angeles, California 90017

Agent For Service of Process
James W. Wilson (ACC)
7977 Capwell Drive
Suite 100
Oakland, California 94621

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 12 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the Owner.

ARTICLE 13 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The Owner has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Administrator or Executive Director or their designee. Any

attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the Owner to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the Owner.

ARTICLE 14 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 15 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, including all Exhibits, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the Owner prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 17 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement.

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Acceptance by the Owner of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 18 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 19 - MISCELLANEOUS

The Parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 20 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement

meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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IN WITNESS WHEREOF, the City, the Agency and the Consultant have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

JAMES T. BUTTS, JR.,
Mayor

ATTEST:

YVONNE HORTON,
City Clerk

ACC ENVIRONMENTAL CONSULTANTS, INC.

JAMES WILSON,
President

APPROVED AS TO FORM:

CAL P. SAUNDERS,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

JAMES T. BUTTS, JR.,
Chairman

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\JALEWIS\Contracts\(Redevelopment) - ACC Consulting Lead and Asbestos Draft 1 11.doc

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 4/25/2011

PRODUCER

ISU INS.SERV.-BC ENV.BROKERAGE
1037 SUNCAST LANE, SUITE 103
EL DORADO HILLS,
(916) 939-1080

CITY CLERK CITY OF INGLEWOOD 2011 JUN 22 AM 9:41

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED: ACC ENVIRONMENTAL CONSULTANTS, INC.

7977 CAPWELL DRIVE, SUITE 100
OAKLAND, CA 94621

INSURER A:	ENDURANCE AMERICAN SPEC.INS.41718
INSURER B:	PROGRESSIVE INSURANCE CO. #10192
INSURER C:	OAK RIVER INS. CO. #34630
INSURER D:	QBE INS. CO. #39217
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR X POLLUTION LIAB (CLAIMS MADE) GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	ECC101003650-02 CPL RETRO:3/20/89	10/28/10	10/28/11	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$5,000,000 $ 50,000 $ 5,000 $5,000,000 $5,000,000 $5,000,000
B	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	02447227-7	01/13/11	01/13/12	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$1,000,000 $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	2200059003-111	05/01/11	05/01/12	X WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$1,000,000 $1,000,000 $1,000,000
A D	OTHER PROF.LIAB. INC.IN GL ABOVE PROPERTY/EQUIP.	ECC101003650-02 PL RETRO: 3/20/89 2751132	10/28/10 12/30/10	10/28/11 12/30/11	$5,000,000 OCCURRENCE $5,000,000 AGGREGATE	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER: ____

-FOR INFORMATION ONLY-

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Matthew C Wallace

© ACORD CORPORATION 1988

11, 201

CITY OF INGLEWOOD

SHORT FORM AGREEMENT

NO. 11-201- MSF

City of Inglewood
(Indicate whether City or name of the Agency).

THIS AGREEMENT is entered into this 13th day of September, 2011, by and between the CITY OF INGLEWOOD or any of its authorized agencies ("Inglewood") and Gordon R. Anderson ("~~Contractor~~/Consultant").

IN CONSIDERATION of the performance of their mutual covenants, the parties hereto agree as follows:

1. SERVICES. ~~Contractor~~/Consultant agrees to perform the services included in its proposal attached hereto as Exhibit "A" and made a part hereof by this reference and/or to include the following:

immediately upon execution of any subsequent agreement between the consultant and the City

2. TIME LIMIT. Said services shall be completed prior to ~~Dec 13~~ September 2011, (or ~~within days after Notice to Proceed~~). Time is of the essence of this agreement.

3. AGENCY PRECLUDED. No agency affecting or binding Inglewood shall be created by virtue of this agreement. The Contractor/Consultant shall be acting at all times as an "independent contractor" and as such shall hold Inglewood harmless for any actions involving negligence or intentional tort on the part of the Contractor/Consultant.

4. COMPENSATION. Inglewood agrees to pay Contractor/Consultant the sum of $11,390.00 upon completion of the herein designated services or (if not in one sum) payments of $_____ on _____ date(s) or in the alternative payments will be made as follows: _____
In no event shall the total compensation exceed the sum of $11,390.00

5. WORKMANLIKE MANNER. Contractor/Consultant agrees to perform all services herein in a workmanlike manner.

6. CHANGES. No change, amendment or modification to this agreement shall be effective unless it is in writing and signed by the parties hereto.

7. ADDITIONAL PROVISIONS. (If any) Mr. Gordon shall be paid an hourly rate of $140.00. In an effort to give a 10 percent reduction in his rate, Mr. Gordon will work a maximum of 36 hours per week ($5,040). Exhibit "B", the attached 4 paged document, entitled Terms and Conditions, are incorporated herein as if set forth in full.

NAME: Gordon R. Anderson

ADDRESS: 5002 South Charlton
Los Angeles, CA 90056

ATTEST:

CITY CLERK/SECRETARY

SIGNATURE:
Contractor/Consultant (If corporation--officer's signature and title).

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF INGLEWOOD, a municipal corporation
INGLEWOOD REDEVELOPMENT AGENCY
INGLEWOOD HOUSING AUTHORITY

BY

CITY ~~ADMINISTRATOR~~ MANAGER

FUND	AGENCY	ORG	ACTIVITY	OBJ	SUB OBJ
160	030	3040		1001	
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ACCOUNTING VERIFICATION BY: DATE

CITY'S ORIGINAL

AGREEMENT NO.: 11-137

THIS PROFESSIONAL SERVICE AGREEMENT is made and entered into this 27th day of September, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and GORDON R. ANDERSON, (hereinafter referred to as the "Consultant,") with its principal place of business located at 5002 South Chariton, Los Angeles, California 90056.

RECITALS

WHEREAS, pursuant to a January 25, 2011, Cooperation Agreement between the City and the Inglewood Redevelopment Agency (hereinafter referred to as the "Agency") the City agreed to carryout certain redevelopment functions and projects (the "Redevelopment Duties") on behalf of the Agency in accordance with Section 33220 of the California Health & Safety Code; and

WHEREAS, the City, in carrying out its Redevelopment Duties, desires certain professional redevelopment assistance and services from the Consultant and seeks to enter into a contract with Consultant for such redevelopment assistance and services as a consultant to the City; and

WHEREAS, the Consultant desires to assist the City in performing its Redevelopment Duties and assumes full responsibility for the provisions of such professional redevelopment services and assistance to the City as an Consultant; and

WHEREAS, Consultant has the expertise to provide the professional redevelopment assistance and services that City desires to assist it in carrying out its Redevelopment Duties, and Consultant agrees to provide this professional redevelopment assistance and services under the terms and conditions set forth herein.

NOW, THEREFORE, the City, and Consultant, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

Article 1 - SCOPE OF SERVICES

The Consultant shall provide certain professional redevelopment assistance and services to and on the behalf of the City. This professional assistance and services shall include, but are not be limited to, the following:

1. Identify specific areas of need relative to redevelopment administration and operational efficiency and productivity;

2. Assist the City in re-establishing and coordinating various redevelopment efforts necessary for the elimination of blight within the Merged Inglewood Redevelopment Project Area;

3. Provide specified redevelopment services necessary to facilitate the proposed renovation/rehabilitation of the Forum;

4. Provide economic analysis for key redevelopment project proposals and project recommendations to the City relative the performance of its Redevelopment Duties; and

5. Assist with the identification and procurement of redevelopment funding necessary to implement redevelopment projects and programs within the City.

Article 2 - TERM

The Term of this Agreement shall be from September 27, 2011, to September 26, 2012.

Article 3 - COMPENSATION

The City hereby agrees to pay Consultant an hourly rate of $100.00 per hour. In no event shall this Agreement exceed the sum of one hundred thousand dollars ($100,000) for services performed and reimbursable costs incurred under this Agreement. The payments specified herein shall be the only compensation payable from City to Consultant for services rendered pursuant to this Agreement.

Consultant and City acknowledge and agree that compensation payable under this Agreement is based upon Consultant's estimated costs of providing the

services contemplated by this Agreement. However, notwithstanding anything contained herein, nothing in this Agreement shall require the City nor shall the City be obligated to expend or promise to expend monies from its General Fund to satisfy all or any portion of the obligations set forth in this Agreement.

Benefits. The Parties understand and hereby agree that the Consultant shall not be entitled to the benefits provided by the City to its employees, including but not limited to, paid vacation, medical insurance, dental insurance, life insurance, deferred compensation, disability insurance, PERS benefits, PARS benefits, unemployment insurance, or retirement. The Consultant shall not be subject to the City's Personnel Rules and Regulations.

Reimbursable Expenses. Consultant shall not be entitled to reimbursement for any costs or expenses incurred in the performance of Consultant's duties under this Agreement, unless said costs and expenses have received prior written approval by the City Manager and are supported by written documentation in accordance with established policies and customary practices of the City.

Invoices. In no event shall Consultant submit any invoice for any amount in excess of the maximum amount of compensation provided in this Agreement either for a specific task or service, or for the entire Agreement, unless the Agreement is modified, in writing, prior to the rendering any such task or service. In the event that Consultant identifies additional work outside the scope of the services specifically provided for in this Agreement that may be necessary to complete the work required under this Agreement, Consultant shall immediately notify City in writing and shall identify the additional work and shall provide in writing a maximum or not-to-exceed price for performing any such additional work. Under no circumstances shall the Consultant be obligated to perform any such additional work nor shall Consultant be compensated for the performance of any additional or extra work without City's prior written approval.

All invoices submitted by Consultant shall be submitted on a biweekly basis and shall contain: (1) date of invoice; (2) sequential invoice number; (3) City Agreement Number; (4) total Agreement Amount; (5) total invoice amount including hourly rate and number of hours worked; (6) total billed to date; and (7) total amount remaining on Agreement. Each invoice shall be in the form and number of copies requested by City. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the biweekly billings to the satisfaction of City and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

Taxes and Deductions. Consultant shall secure at its own expense and be responsible for any and all business taxes, employment taxes, income taxes and any other applicable federal, state or local taxes, including social security taxes, state disability insurance compensation, unemployment compensation, and payroll deductions, if any, in connection with the Services to be performed hereunder.

Worker's Compensation. The Consultant shall comply with the workers' compensation law.

Automobile. Consultant shall provide its own vehicle and vehicle insurance in providing the Services hereunder. This vehicle insurance shall cover any and all vehicles used as transportation to and from the worksite and any City-related travel.

Article 4 - TERMINATION

This Agreement may be terminated at any time by the City by providing the Consultant written notice from the City Manager or by the Consultant by written notice to the City. Notice shall be deemed to have been sufficiently given either when served personally or when sent by first-class mail addressed to the applicable party at the address set forth in this Agreement. City shall not be liable for, nor shall the Consultant be liable to perform, any services or expenses incurred after the receipt of a notice of termination.

Article 5 - NOTICE

Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted, and deposited in the United States mail addressed to the respective parties as follows:

City:
Yvonne Horton,
City Clerk
City of Inglewood
One Manchester Boulevard,
Inglewood, CA 90301

Consultant:
Gordon R. Anderson
5002 South Chariton
Los Angeles, California 90056

With a Copy to:
Artie A. Fields,
City Manager
One Manchester Boulevard,
Inglewood, CA 90301

Article 6 - INDEMNIFICATION

Consultant agrees to hold harmless and to defend City and its officers and employees from and against any and all claims arising from Consultant's actions arising out of Consultant's course and scope of duties under the terms and conditions of this Agreement. This provision is not intended to create a cause of action in favor of a third party against Consultant or City.

Article 7 - OWNERSHIP OF DOCUMENTS

All data, studies, reports and other documents prepared by the Consultant while performing its duties during the term of this Agreement shall be furnished to and become the property of the City (for purposes of carrying out its Redevelopment Duties) without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to the Consultant in connection with this Agreement and the obligations established herein, shall be held in confidence by the Consultant to the fullest extent permitted by applicable law. Such materials shall not, without the prior written consent of the City, be used by the Consultant for any purposes other than

the performance of its duties set forth in this Agreement. Nor shall any such materials be disclosed to any person or entity not connected with Consultant's performance of the services provided by this Agreement, except as required by applicable law.

Article 8 - CONFIDENTIAL INFORMATION, RELEASE OF INFORMATION

All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by applicable law.

Consultant, its officers, employees, agents, or subcontractors, shall not voluntarily provide declarations, letters of support, and testimony at depositions, respond to court order or subpoena, response to interrogatories, or other information concerning the work performed under this Agreement without City's prior written approval.

If Consultant, or any officer, employee, agent, or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs, and fees, including attorney fees, caused by or incurred as a result of Consultant's conduct.

Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subcontractors are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, or other discovery request, court order, or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing, or similar court ordered proceeding. Consultant agrees to cooperate fully

with City and to provide City with the opportunity to review any response to discovery request served on Consultant and proposed responses thereto. However, this right to review any response does not imply or mean the right by City to control, direct, or rewrite said response.

Article 9 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The City in carrying out its Redevelopment Duties has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Manager. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the City to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the City.

Article 10 - EQUAL EMPLOYMENT OPPORTUNITY

Consultant agrees that during the performance of this Agreement, he shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability, or national origin.

Article 11 - INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall not have the right to direct or control the method or means by which Consultant accomplishes services rendered pursuant to this Agreement.

Consultant understands and agrees that City: (1) will not provide any training for Consultant to perform its services under this Agreement; (2) is not dictating the hours worked by Consultant; and (3) is not requiring Consultant to perform services on site (i.e. City Hall).

Consultant understands and agrees that it is subject to summary dismissal without any right of notice or hearing.

Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Article 12 - CHANGES, AMENDMENTS, AND MODIFICATIONS

No changes, amendments, or modifications to this Agreement shall be effective unless in writing and signed by authorized representatives of the parties hereto.

Article 13 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

Article 14 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed, and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, and Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District

Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

Article 15 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

Article 16 - MISCELLANEOUS

The parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

Article 17 - ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

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

CITY OF INGLEWOOD

James T. Butts, Jr., Mayor

GORDON R. ANDERSON

Gordon R. Anderson

ATTEST:

Yvonne Horton, City Clerk

APPROVED AS TO FORM:

Cal P. Saunders, City Attorney

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CITY'S ORIGINAL

AGREEMENT NO.: 12-011

THIS AGREEMENT is made and entered into this 31st day of January, 2012, by and between the CITY OF INGLEWOOD, a municipal corporation located at One Manchester Boulevard, Inglewood California, 90301, (hereinafter referred to as the "City") and TIERRA WEST ADVISORS, INC., a California Corporation, with its principal place of business at 2616 East 3rd Street, Los Angeles, California 90033 (hereinafter referred to as the "Consultant").

WHEREAS, pursuant to a January 25, 2011, Cooperation Agreement between the City and the Inglewood Redevelopment Agency (hereinafter referred to as the "Agency," and collectively as the "Parties") the City agreed to carryout certain redevelopment functions and projects (the "Redevelopment Duties") on behalf of the Agency in accordance with Section 33220 of the California Health & Safety Code; and

WHEREAS, the City, in carrying out its Redevelopment Duties, desires certain professional redevelopment assistance and services from the Consultant and seeks to enter into a contract with Consultant for such redevelopment assistance and services as a consultant to the City; and

WHEREAS, the Consultant desires to assist the City in performing its Redevelopment Duties and assumes full responsibility for the provisions of such professional redevelopment services and assistance to the City as an Consultant; and

WHEREAS, Consultant has the expertise to provide the professional redevelopment assistance and services that City desires to assist it in carrying out its Redevelopment duties, and Consultant agrees to provide this professional redevelopment assistance and services under the terms and conditions set forth herein.

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NOW, THEREFORE, in consideration of these premises the Parties hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Consultant shall, when requested by the City, confer with and advise the City regarding disposition and financial advisory services including, but, not limited to the following:

1. Providing marketing, financial and disposition analysis;
2. Participating in discussions and presentations with potential developers and community officials;
3. Conducting economic feasibility studies and preparing highest and best use analysis;
4. Conducting financial testing of land use and development concepts, including review of projected development cost, income, and financing for private capital;
5. Providing alternative financing options for a public private partnership, including funding of public improvements and private investment;
6. Structuring options for land disposition business terms, including reuse fair market value and reuse value, ground leases, and participating land sales;
7. Assisting staff and legal counsel in the drafting and preparation of documents, including the Summary Report under Sec. 33433 of the California Redevelopment Law;
8. Correcting any defective work subsequently discovered. Agreeing to remedy all incomplete, inaccurate, or defective work as demanded by City and without additional cost to the City;
9. Appearing and providing expert testimony on behalf of the City, as required, in any legal proceedings.

ARTICLE 2 - DUTIES OF THE CITY

The City hereby promises to provide all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by this Agreement.

ARTICLE 3 - COMPENSATION

The Consultant shall be paid, during the ordinary course of City business, for services faithfully rendered, up to fifty thousand dollars ($50,000). The Consultant shall be paid according to the following fee schedule:

Classification	Rate
Principal/Director	$215/hr
Senior Associate	$180/hr
Associate/Acquisition Agent	$155/hr
Senior Analyst	$135/hr
Analyst	$120/hr
Research Assistant/Real Estate Technician	$100/hr
Word Processor	$70/hr
Clerical	$55/hr
Reimbursables	At Cost

All invoices submitted by the Consultant shall contain: (1) date of invoice; (2) sequential invoice number; (3) the City agreement number; (4) description of services billed under this invoice; (5) total agreement amount; (6) total amount for services, itemization of all reimbursable expenses included in the invoice; (7) total billed (by services and reimbursable expenses) to date; and (8) total amount remaining on agreement. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the City and shall certify, on each invoice, that it is entitled to receive the amount invoiced. The City agrees to pay the undisputed invoice amount within thirty (30) days of receipt of invoice.

The Consultant agrees that, should work be performed outside the scope of services without the prior written approval of the City, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the City for reimbursement.

ARTICLE 4 - TERM

The term of the Agreement shall be for a period of one year from the date of full execution of this Agreement.

ARTICLE 5 - TERMINATION

The City may, in its sole and absolute discretion and without cause, terminate this Agreement immediately upon written notice to the Consultant. The Consultant may terminate this Agreement upon 30 days written notice to the City. In the event of termination of this Agreement, the Consultant shall deliver to the City all documents, files, records and copies thereof pertaining to any work which may be in progress and the City shall pay to the Consultant an amount which equitably reflects the proportion of work completed by the Consultant on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 3 of this Agreement.

ARTICLE 6 - PERSONNEL

The Parties hereto agree that, unless otherwise specifically designated or agreed to by the City, **John Yonai, Principal**, shall be personally responsible for and supervise all matters assigned to and handled by the Consultant. The City shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The City expressly relies on the Consultant's

representations regarding its skills, knowledge, and certifications. The Consultant agrees to perform all work in accordance with generally accepted business practices and performance standards of the industry, including federal, state, and local operation and safety regulations.

ARTICLE 7 - NO AGENCY RELATIONSHIP

No Agency relationship between the City and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the City, it being expressly understood that the Consultant is at all times a wholly independent contractor.

ARTICLE 8 - INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors & Omissions: **$1,000,000** per claim.

(a) The "Retro Date" must be shown and must be made before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City of Inglewood and its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Inglewood, and its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary as respects to the City of Inglewood, and its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Inglewood, its officers, officials, employees or volunteers shall be non-contributing and in excess of the Consultant's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782 (b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Consultant shall furnish the City of Inglewood with original certificates and amendatory endorsements affecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Inglewood City Attorney's Office before work commences. The City reserves the right to

require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

ARTICLE 9 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the City and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the City.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which the Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the City, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by Consultant under this Article shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 10 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

City	Consultant
Yvonne Horton, City Clerk City of Inglewood One Manchester Boulevard Inglewood, California 90301	Tierra West Advisors, Inc. 2616 East 3rd Street Los Angeles, California 90033 Attn.: John Yonai, Principal
with a copy to: Margarita Cruz, Redevelopment Manager City of Inglewood One Manchester Boulevard, Suite 450 Inglewood, California 90301	Agent for Service of Process Paul K. Smith Smith & Myers LLP 333 South Hope Street, 35th Floor Los Angeles, California 90071

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the City.

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The City has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the City Manager or his designee. Any

attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the City to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the City.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the City prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by

the City of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 - MISCELLANEOUS

The Parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other

covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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

CITY OF INGLEWOOD

James T. Butts, Jr.
Mayor

TIERRA WEST ADVISORS, INC.,

John Yonai,
Principal

ATTEST:

Yvonne Horton,
City Clerk

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

N:\AGREEMENTS\IRA\Tierra West Advisors.doc

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ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/23/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER (888) 825-4322
Bowermaster & Associates
P.O. Box 6026
10805 Holder Street - Suite 350
Cypress, CA 90630

CONTACT NAME:
PHONE (A/C, No, Ext): 714-733-6200 FAX (A/C, No): 714-252-8253
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #: TIERWES-01

INSURED Tierra West Advisors, Inc.
2616 East 3rd Street
Los Angeles, CA 90033-

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : The Hartford Insurance Group	37478
INSURER B : Scottsdale Insurance Company	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	X		72SBABO9295	10/1/2011	10/1/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 1,000,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			72SBABO9295	10/1/2011	10/1/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DEDUCTIBLE RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N Y If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		72WECLY5490	10/1/2011	10/1/2012	X WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
B	Professional Liability			EKS3044062	8/15/2011	8/15/2012	Aggregate/Deductible	2,000,000/10,000

OK CPS

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The City of Inglewood, its officials, employees and agents are listed as Additional Insured with respects to General Liability per policy form SS00080405.

CERTIFICATE HOLDER

City of Inglewood
One Manchester Blvd., Suite 450
Redvelopment Department
Inglewood, CA 90301-

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph **6.** (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section **C.**, Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. **Additional Insured - Designated Person Or Organization**

   WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

   a. In the performance of your ongoing operations; or

   b. In connection with your premises owned by or rented to you.

2. **Additional Insured - Managers Or Lessors Of Premises**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

   b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

      This insurance does not apply to:

      (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

      (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. **Additional Insured - Grantor Of Franchise**

   WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. **Additional Insured - Lessor Of Leased Equipment**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

   b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. **Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

   b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

      This insurance does not apply to:

      (1) Any "occurrence" that takes place after you cease to lease that land; or

      (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. **Additional Insured - State Or Political Subdivision – Permits**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. **Additional Insured – Vendors**

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. The insurance afforded to the vendor is subject to the following additional exclusions:

(1) This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. **Additional Insured – Controlling Interest**

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. **Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

      (1) In the performance of your ongoing operations for the additional insured(s); or

      (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

   b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

      (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

      (2) Supervisory, inspection, architectural or engineering activities.

10. **Additional Insured – Co-Owner Of Insured Premises**

    WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

   a. **(1)** Radio;

      (2) Television;

      (3) Billboard;

      (4) Magazine;

      (5) Newspaper;

   b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

   c. Any other publication that is given widespread public distribution.

   However, "advertisement" does not include:

   a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

   b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

   a. Injury;

   b. Sickness; or

   c. Disease

   sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

*01000721Y54900311 52954

Policy Number: 72 WEC LY5490 **Endorsement Number:** 01

Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: TIERRA WEST ADVISORS, INC.

2616 E 3RD ST
LOS ANGELES, CA 90033

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization

Countersigned by _____

Authorized Representative

Policy Expiration Date: 10/01/11

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph **6.** (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section **C.**, Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. **Additional Insured - Designated Person Or Organization**

   WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

   a. In the performance of your ongoing operations; or

   b. In connection with your premises owned by or rented to you.

2. **Additional Insured - Managers Or Lessors Of Premises**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

   b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

      This insurance does not apply to:

      (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

      (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. **Additional Insured - Grantor Of Franchise**

   WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. **Additional Insured - Lessor Of Leased Equipment**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

   b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. **Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

   b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

      This insurance does not apply to:

      (1) Any "occurrence" that takes place after you cease to lease that land; or

      (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. **Additional Insured - State Or Political Subdivision – Permits**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. With respect to the insurance afforded to these additional Insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. **Additional Insured – Vendors**

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. The insurance afforded to the vendor is subject to the following additional exclusions:

(1) This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. **Additional Insured – Controlling Interest**

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. **Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

      (1) In the performance of your ongoing operations for the additional insured(s); or

      (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

   b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

      (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

      (2) Supervisory, inspection, architectural or engineering activities.

10. **Additional Insured – Co-Owner Of Insured Premises**

    WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

   a. **(1)** Radio;

      (2) Television;

      (3) Billboard;

      (4) Magazine;

      (5) Newspaper;

   b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

   c. Any other publication that is given widespread public distribution.

   However, "advertisement" does not include:

   a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

   b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

   a. Injury;

   b. Sickness; or

   c. Disease

   sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

*01000721Y5490031 52954

Policy Number: 72 WEC LY5490 **Endorsement Number:** 01

Effective hour is the same as stated on the Information Page of the policy.

Named Insured and Address: TIERRA WEST ADVISORS, INC.

2616 E 3RD ST
LOS ANGELES, CA 90033

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization

Countersigned by _____
Authorized Representative

Policy Expiration Date:

CITY'S ORIGINAL

AGREEMENT NO.: 12-012

THIS AGREEMENT is made and entered into this 31st day of January, 2012, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301, and PARAGON PARTNERS LTD, a California Corporation, (hereinafter referred to as the "Consultant") with its principal place of business at 5762 Bolsa Avenue, Suite 201, Huntington Beach, California 92649.

WHEREAS, the City, pursuant to its obligations in the Cooperation Agreement by and between the City and the Inglewood Redevelopment Agency, desires professional consulting services to provide certain technical advice and assistance on relocation matters and property management; and

WHEREAS, the Consultant represents that it is familiar with federal, state and local rules, laws and regulations that govern relocation activity and property management services; and

WHEREAS, the Consultant holds itself out as being willing, ready and able to provide such services as the City needs.

NOW, THEREFORE, the City, and the Consultant, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

Consultant, when requested by the City, shall confer with and advise the City regarding relocation and property management services. Consultant shall also:

1. Update and develop policies and procedures for relocation implementation and property management programs.

2. Develop monthly relocation activity reports or such other reports as may be required by the City. These reports shall include (a) field survey results of proposed displaced persons; (b) relocation resources and estimate of adequacy of

such resources; (c) recommendation and/or implementation of program to supplement existing relocation resources and budget projections.

3. Consult and advise the City with relocation and property management advice necessary for proper operation of the program. This shall include, but not be limited to the setting up of files, preparation of forms, ledgers, etc.

4. Conduct field surveys of project residents and businesses, relocation housing resources, temporary or permanent business relocation resources and any affected local community groups, etc.

5. Be available, as required, for various public presentations and/or consultations with the City, Department Heads, citizens groups, or others that may be designated by the City.

6. Contact project residents and businesses to inform them of the relocation and property management program, and advise them of their benefits, recommend relocation housing or business sites, assist them in filing relocation claims, and advise them of economic or social assistance available to them.

7. Track, monitor, and process all last resort-housing cases;

8. Develop a residential relocation plan including available relocation facilities for residents in the Target Area, if applicable.

9. Provide property management services on an as needed basis. Management services shall include, but not be limited to collection of rents, management of utilities, interior repairs, and general maintenance as needed. Consultant has the authority to perform or to contract for emergency repairs in those circumstances when health or safety require repair prior to obtaining written approval of the City. Emergency repairs include problems such as plumbing, electrical and expenses due to fire damage. Non-emergency repairs shall be subject to the prior written approval of the City. Consultant's request for approval shall be accompanied by an estimate of the cost of the work.

ARTICLE 2 – DUTIES OF THE CITY

The City hereby promises to provide, when reasonably needed, all data, records and documents reasonably within its possession or control as are necessary for the Consultant to perform the services contemplated by the Agreement.

ARTICLE 3 - COMPENSATION AND METHOD OF PAYMENT

1. The Consultant shall be compensated for work faithfully performed an amount not to exceed sixty thousand dollars ($60,000). However, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement. The City agrees that the Consultant shall be paid pursuant to the following hourly fee schedule:

PERSONNEL	HOURLY RATE
Principal/Director	$165.00
Project Manager/Corporate Broker	$145.00
Task Leader	$125.00
Senior Relocation Specialist	$105.00
Senior Property Manager	$95.00
Acquisition/Relocation Agent	$85.00
Property Manager	$75.00
Senior Staff Appraiser	$135.00
Escrow Coordinator	$70.00
Administrative Support	$60.00
Office Clerk	$40.00
Deposition/Court Testimony	$250.00

2. All invoices, including invoices for work performed on future projects contemplated by this Agreement, shall be submitted monthly by Consultant and shall contain:

(a) date of invoice;

(b) sequential invoice number;

(c) agreement number;

(d) description of services billed under this invoice;

(e) total agreement amount;

(f) total amount for services;

(g) total amount remaining on agreement.

3. The Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of the City and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

4. Consultant agrees that it shall not charge for mileage, parking, telephone/fax expense, postage and incidental copies. Consultant agrees that it shall only charge its actual expense for messenger services, overnight mail costs, and copies of reports, documents, notices, and support material in excess of five (5) copies.

5. The Consultant agrees that should work be performed outside the Scope of Services without the prior written approval of the City, such work shall be deemed to be a gratuitous effort on the part of the Consultant, and the Consultant shall have no claim against the City for reimbursement.

ARTICLE 4 - TERM

Consultant shall commence services, under this Agreement, within ten (10) working days after receipt of the City's Notice to Proceed. The term of the Agreement shall be two (2) years from receipt of the Notice to Proceed.

ARTICLE 5 - TERMINATION

This Agreement shall be subject to termination by the City at its own discretion or if the City is prevented from proceeding with the Agreement by law or official action of a public authority, by the unavailability of the City's Funds, if

the Consultant violates any material provisions of this agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Manager.

In the event of such termination, the City shall pay the Consultant an amount which equitably reflects the proportion of work completed by the Consultant, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 4 of this Agreement.

ARTICLE 6 - PERSONNEL

1. The Consultant hereto agrees that, unless otherwise specifically designated or agreed to by the City, Neilia A. La Valle, shall be personally responsible for and supervise all matter assigned to it. The City shall have the right to designate or reject the assignment of other employees or consultants associated with the Consultant.

2. The Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. The City expressly relies on the Consultant's representations regarding its skills, knowledge, and certifications. The Consultant agrees to perform all work in accordance with generally accepted business practices and performance standards of the industry, including federal, state, and local operation and safety regulations.

ARTICLE 7 - NO AGENCY RELATIONSHIP

No Agency relationship between the City and the Consultant is intended or created by this Agreement. The Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the City, it being expressly understood that the Consultant is at all times a wholly independent Contractor.

ARTICLE 8 - INSURANCE

The Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the Consultant's profession.

Minimum Limits of Insurance

The Consultant shall maintain no less than:

1. **General Liability:** $1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply.

2. **Automobile Liability:** $1,000,000 per accident for bodily injury and property damage.

3. **Employer's Liability:** $1,000,000 per accident for bodily injury or disease.

4. **Errors and Omissions Liability:** $1,000,000 per claim.

   a. The "Retro-Date" must be shown and must be before the date

of the contract or beginning of contract work.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

c. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro-Date" prior to the contract effective date, the Consultant must purchase "extended reporting" overage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Inglewood City Attorney's Office. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City Attorney guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

1. The General Liability and Automobile Liability, policies are to contain, or be endorsed to contain, the following provisions:

a. The City, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this Project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be non-contributing and in excess of the Consultant's insurance.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the insurer except after thirty (30) days' prior written notice has been given to the City.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of section 2782 of the California Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers that are authorized to conduct business within the State of California and have a current A.M. Best rating of not less than A:VII.

Verification of Coverage

The Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Inglewood City Attorney Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

The Consultant hereby agrees to waive subrogation which any insurer of contractor may acquire from vendor by virtue of the payment of any loss. The

Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Workers' Compensation Endorsement

The Workers' Compensation policy shall be endorsed to contain a waiver of subrogation in favor of the City for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

Subcontractors

The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

ARTICLE 9 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the City and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the City.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, the Consultant, upon notice from the City, shall defend Indemnitees at the Consultant's expense by counsel acceptable to the City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by the Consultant under this Article shall ensure the Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of the

Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 10 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective the Parties as follows:

City	Consultant
Yvonne Horton,	Neilia A. LaValle
City Clerk	Paragon Partners Ltd.
One Manchester Boulevard	5762 Bolsa Avenue, Suite 201
Inglewood, California 90301	Huntington Beach, California 92649
with a copy to:	Agent For Service of Process
City Administrator	Joel S. Sewell
City of Inglewood	5762 Bolsa Avenue, Suite 201
One Manchester Boulevard	Huntington Beach, California 92649
Inglewood, California 90301	

The Consultant may from time to time designate another address, addressee or Agent for Service of Process and shall, in such instances, notify the City in writing within ten (10) calendar days of its designation.

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the Consultant under this Agreement are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior written approval of the City.

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of the Consultant are material considerations for this Agreement. The City has an interest in the qualifications of and capability of the Consultant which will fulfill the duties and obligations imposed upon the

Consultant under this Agreement. In recognition of that interest, the Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of the Consultant's duties or obligations under this Agreement without the prior written consent of the City Manager or designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling the City to any and all remedies at law or in equity, including summary termination of this Agreement. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of the City.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

The Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the Parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between the Consultant and the City prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding unless in writing duly executed by the Parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or

covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by the City of any work or services by the Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 - MISCELLANEOUS

The Parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all the Parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

///

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

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

CITY OF INGLEWOOD

James T. Butts, Jr., Mayor
Mayor

ATTEST:

Yvonne Horton, City Clerk

PARAGON PARTNERS LTD.

Neilia A. LaValle, President
President

APPROVED AS FORM:

Cal P. Saunders, City Attorney

N:\AGREEMENTS\IRA\Paragon Partners 2012.doc

ACORD

CERTIFICATE OF LIABILITY INSURANCE

OP ID: SN

DATE (MM/DD/YYYY) 12/30/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
The Dougherty Company, Inc.
P.O. Box 7277
Long Beach, CA 90807
Richard Lindgren
562-424-1621
562-490-0432

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #: PARAG-3

INSURED
Paragon Partners Ltd.
5762 Bolsa Avenue, Suite 201
Huntington Beach, CA 92649

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Hartford Insurance Company	22357
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	X		72UUNUR1666	05/01/11	05/01/12	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	X		72UUNUR1666 NO OWNED AUTOS of CB5	05/01/11	05/01/12	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DEDUCTIBLE X RETENTION $ 10,000			72RHUUS0426	05/01/11	05/01/12	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		72WENG6914	01/01/12	01/01/13	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
*10 days notice of cancellation for nonpayment of premium. The City, City of Inglewood, and their officers, officials, employees and volunteers are named additional insured per the attached endorsements.

CERTIFICATE HOLDER

INGLE-1

City of Inglewood
Attn: Marla Stevens
One Manchester Blvd., ste. 450
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
R.B. Lindgren

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: *City of Inglewood*
their officers, officials, employees and volunteers

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. **Section II – Who Is An Insured** is amended to include as an insured any person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. Any coverage provided by this endorsement to an additional insured shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement in effect during this policy period and signed and executed by you prior to the loss for which coverage is sought specifically requires that this insurance apply on a primary and/or non-contributory basis. **If this insurance is required to be primary and/or noncontributory, we will not seek contribution from any policy on which that additional insured is a named insured.** We may, however, seek contribution from other insurance policies which also add that additional insured as an additional insured. If such other insurance policies are available, we will share with that other insurance by the method described in the policy.

C. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

1. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or

b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

© ISO Properties Inc., 2000

POLICY NUMBER: 72UUNUR1666 COMMERCIAL AUTO CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless
modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured
Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective May 1, 2011	
Named Insured Paragon Partners, Ltd.	Countersigned by Waived

(Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s):

City of Inglewood
their officers, officials, employees and volunteers

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

 Copyright, Insurance Services Office, Inc., 1998

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SN
PARAG-3

DATE (MM/DD/YYYY)
05/18/11

PRODUCER

The Dougherty Company, Inc.
P.O. Box 7277
Long Beach CA 90807
Phone: 562-424-1621 Fax: 562-490-0432

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Paragon Partners Ltd.
5762 Bolsa Avenue, Suite 201
Huntington Beach CA 92649

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Navigators Insurance Company	42307
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurence)	$
		CLAIMS MADE / OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	$
		POLICY / PRO-JECT / LOC				PRODUCTS - COMP/OP AGG	$
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS / UMBRELLA LIABILITY				EACH OCCURRENCE	$
		OCCUR / CLAIMS MADE				AGGREGATE	$
							$
		DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH)				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
A		OTHER Real Estate Errors & Omissions	SF11MPL6027901C CLMS MADE:$10K RETENTION	05/07/11	05/07/12	Claim Aggregate	2,000,000 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*Except 10 days notice for non payment of premium.

CERTIFICATE HOLDER

INGLE-1

City of Inglewood
Attn: Marla Stevens
One Manchester Blvd #450
Inglewood CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

R.B. Amagan

ACORD 25 (2009/01)

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CITY'S ORIGINAL

AGREEMENT No.: 12-013

THIS AGREEMENT is made and entered into this 31st day of January, 2012, by and between the City of Inglewood (hereinafter referred to as "City") and Sanli, Pastore & Hill, with its principal place of business located at 1990 South Bundy Drive, Suite 800, Los Angeles, California 90025 hereinafter referred to as "Contractor."

WHEREAS, the City, pursuant to its obligations in the Cooperation Agreement by and between the City and the Inglewood Redevelopment Agency, desires to obtain the services of an experienced and qualified firm to assess any goodwill claim a business may have; and

WHEREAS, the City acting on its own behalf or on behalf of various other entities, pursuant to cooperation agreements, will be undertaking the procurement of, or the disposal of, estates or interests in various properties within the County of Los Angeles, State of California; and

WHEREAS, Contractor represents itself as a qualified goodwill loss appraiser capable of rendering the required services; and

WHEREAS, Contractor represents that it is familiar with State and Federal laws and other rules and regulations governing Appraisal services;

NOW THEREFORE, in consideration of the premises the parties hereto agree as follows:

ARTICLE 1 - TIME IS OF THE ESSENCE

It is understood that the time within which the work is to be performed is of primary importance and of the essence of this Agreement. The Contractor will proceed with work hereunder in such sequence and order as the City, may, in writing, direct, and will furnish and deliver the appraisal report to the City as soon as completed.

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ARTICLE 2 - SCOPE OF SERVICES

Contractor agrees to perform the following services, as may be directed in writing from time to time by the City Administrator or his designee.

A. Investigation and Research

1. Make a personal inspection of the Redevelopment Project Area(s) and to advise the City, in a written report, of his opinion of the valuation of compensable goodwill loss, if any, to the business(es).

2. The report shall, among other things, contain the following:

   a. The Contractor's opinion of the valuation of compensable goodwill loss recognized by the court in eminent domain proceedings. Contractor shall include an analysis of the business operations, review of the financial statements, conduct qualitative and quantitative industry analysis, competition analysis, valuation analysis, market research and any other appraisal method required by the City.

   b. A complete and detailed valuation of good will loss in the before condition and the after condition as those terms are commonly used in eminent domain proceedings.

   c. Determine if the business(es) engaged in reasonable efforts to mitigate its damages, if any, and preserve its goodwill, if any.

C. Revisions and Corrections

Contractor shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Contractor on demand without cost to the City.

D. Informal Update Opinion

If requested by the City in writing signed by the City Administrator or his designee specifying a maximum number of hours allowable, Contractor shall prepare an informal opinion letter updating the report prepared pursuant to the

provisions above. In preparing said opinion, Contractor shall thoroughly review his previous investigations and findings and adjust his opinion to reflect any relevant changes that may have occurred.

E. Expert Witness

In the event the testimony of Contractor is required in any legal proceedings, in connection with the City's acquisition or, in any acquisition by another agency, with assistance of the City, of any property herein referred to, the Contractor agrees to appear as witness on behalf of the City. Contractor shall participate in pre-trial conference, field work or prepare trial exhibits as may be deemed necessary by the City or the City's legal counsel. Contractor shall keep such personal records of all details with respect to the appraisals as will enable Contractor to appear as such witness.

ARTICLE 3 – CITY'S DUTIES

The City shall provide Contractor with such information as is possessed by the City and which is normally supplied to contractors performing such services.

The City shall secure written consent, when required, from the owner/tenant, occupant, or person in possession to conduct such appraisal.

ARTICLE 4 - COMPENSATION

The parties hereto agree that Contractor shall be paid at the rate of $300 per hour for President and Chief Executive Officer; Manager and Vice Presidents at the rate of $200 to $270 per hour; Research Analysts and Senior Analyst at the rate of $130 to $185 per hour; and Interns at the rate of $70 to $90 per hour.

In the event the testimony of Contractor is required in any legal proceedings, in connection with the City's acquisition or, in any acquisition by another agency, with assistance of the City, of any property herein referred to, the Contractor agrees to appear as witness on behalf of the City. Contractor shall be paid for its expert testimony at the rate of $385 per hour for President and Chief Executive Officer and $270 per hour for Manager and Vice President.

The parties hereto agree that in no event shall payment to Contractor pursuant to this Agreement exceed $60,000 (Sixty Thousand dollars).

It is understood and agreed that Contractor is serving in a limited capacity to the City and only those services which are authorized by the designated representative of the City Administrator shall be compensable hereunder. Contractor shall invoice the City on a monthly basis for all work done and shall specify the number and dates of hours worked during the preceding month. Contractor shall certify on each invoice that it is entitled to receive the amounts requisitioned. Each invoice shall be in the form and number of copies requested by the City.

ARTICLE 5 - RESPONSIBLE PARTY

The parties hereto agree that, unless otherwise specifically designated or agreed to by the City, Thomas E. Pastore, Chief Executive Officer, shall be personally responsible for and supervise all matters assigned to and handled by Contractor. The City shall have the right to designate or reject the assignment of other Contractor employees to handle any matters assigned by the City to Contractor.

ARTICLE 6 - INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, his agents, representatives, or employees. The cost of such insurance shall be borne by the Contractor.

Minimum Limits of Insurance

Contractor shall maintain these policies and shall cause all parties supplying services, labor, or materials to maintain the following insurance in amounts not less than those specified below:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: **$1,000,000** per accident for bodily injury and property damage.

3. Employer's Liability: **$1,000,000** per accident for bodily injury or disease.

4. Errors and Omissions Liability: **$1,000,000** per claim.

Any "Retro Date" must be shown, and must be before the date of the contract or beginning of contract work.

Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

A copy of the claims reporting requirements must be submitted to the City's Counsel for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retention must be declared to and approved by the City of Inglewood's City Attorney's Office. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the Inglewood City Attorney's office guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policy are to contain, or be endorsed to contain, the following provisions:

1. The City of Inglewood, its officers, officials, employees and volunteers are to be covered as an additional insured with respect to liability arising out of work or operations performed by or on behalf of the Contractor, or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City of Inglewood.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement

to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Contractor shall furnish the City of Inglewood with original certificates and amendatory endorsements affecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Inglewood City Attorney's Office before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

ARTICLE 7 - CONFIDENTIALITY

All reports, documents, findings and conclusions, and any and all similar documents prepared or assembled by Contractor under this Agreement are confidential. Contractor agrees that no documents prepared or assembled by it under this Agreement shall be made available to any individual or organization without prior written approval of City, unless required by law.

ARTICLE 8 - NON-ASSIGNABILITY

Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without prior written approval of City.

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ARTICLE 9 - NOTICE

Any notices given pursuant to this Agreement shall be deemed received and affective when properly addresses, posted, and deposited in the United States mail addressed to the respective parties as follows:

City

Yvonne Horton,

City Clerk

Office of the City Clerk

One Manchester Boulevard

Inglewood, California 90301

with a copy to:

City Administrator,

One Manchester Boulevard

Inglewood, California 90301

Contractor

Sanli, Pastore & Hill, Inc.

1990 S. Bundy

Los Angeles, California 90025

ARTICLE 10 - EQUAL EMPLOYMENT OPPORTUNITY

Contractor agrees that during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability or national origin.

ARTICLE 11 - CHANGES, AMENDMENTS AND MODIFICATIONS

No change, amendment or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

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ARTICLE 12 - TERMINATION

(A) City shall have the right, at any time, to terminate Contractor's services upon written notice to Contractor. Any notice of termination shall be given in accord with the requirements of numerical section 8, herein. Contractor, upon receipt of a written notice of termination, shall immediately cease to render additional services to City. Such termination shall not, however, relieve City of the obligation to pay the fees due for services rendered and costs incurred prior to such termination.

(B) If City fails to meet any of its obligations under this Agreement, or if any irreconcilable differences arise between Contractor and City in connection with this Agreement, Contractor shall have the right to terminate this Agreement. Such termination shall not, however, relieve City of the obligation to pay the fees due for services rendered and costs incurred prior to such termination.

ARTICLE 13 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 14 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Cout, Southwest District, located at 825 Maple Avenue, Torrance,

California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 15 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope, breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

ARTICLE 16 - MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

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ARTICLE 17 - ENTIRE AGREEMENT

This Agreement, including any exhibits attached hereto, is the entire, complete, final and exclusive expression of the parties' intent, with respect to the matters addressed herein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Contractor and City prior to the execution of this Agreement. In the event of any conflict between the terms, conditions and provisions of this Agreement and an other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

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

SANLI, PASTORE & HILL, INC.

Thomas E. Pastore
Chief Executive Officer

CITY OF INGLEWOOD

James T. Butts, Jr., Mayor

ATTEST:

Yvonne Horton, City Clerk

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

N:\AGREEMENTS\IRA\SANLI, PASTORE & HILL 2012.doc

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04-13-2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

SHAW MOSES MENDENHALL & ASSC/PHS
181837 P:(866)467-8730 F:(877)905-0457
PO BOX 33015
SAN ANTONIO TX 78265

CONTACT NAME:
PHONE (A/C, No, Ext): (866)467-8730 FAX (A/C, No): (877)905-0457
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #:

INSURER(S) AFFORDING COVERAGE | **NAIC #**

INSURER A : Hartford Casualty Ins Co
INSURER B :
INSURER C :
INSURER D :
INSURER E :
INSURER F :

INSURED

SANLI PASTORE AND HILL INC
1990 S. BUNDY DR. STE 800
LOS ANGELES CA 90025

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR X General Liab GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT [X] LOC	X		72 SBA GA4427	06/25/2011	06/25/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			72 SBA GA4427	06/25/2011	06/25/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $ $ $
A	X UMBRELLA LIAB [X] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DEDUCTIBLE X RETENTION $ 10,000			72 SBA GA4427	06/25/2011	06/25/2012	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000 $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATUTORY LIMITS [ ] OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $ $

OK CPS

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Those usual to the insured's operations. The City of Inglewood, its officers, officials, employees, and volunteers are named additional insured per Business Liability Coverage Form SS0008, attached to this policy. Coverage is primary & non-contributory per the Business Liability Coverage Form SS0008, attached to this policy.

CERTIFICATE HOLDER

The Inglewood Redevelopment Agency
One Manchester Blvd.
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Mar Mallon

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The ACORD name and logo are registered marks of ACORD

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 8/16/2011

PRODUCER

Bornstein Insurance
22850 Crenshaw Blvd., Ste. 203
Torrance, Ca 90505
(310) 325-4343

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

SANLI, PASTORE & HILL INC.

1990 SO BUNDY DRIVE #800
LOS ANGELES, CA 90025

INSURERS AFFORDING COVERAGE

INSURER A: Truck Insurance Exchange
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY				EACH OCCURRENCE	$
	COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	$
	CLAIMS MADE / OCCUR				MED EXP (Any one person)	$
					PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	$
	POLICY / PRO-JECT / LOC				PRODUCTS - COMP/OP AGG	$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO					
	ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	SCHEDULED AUTOS					
	HIRED AUTOS				BODILY INJURY (Per accident)	$
	NON-OWNED AUTOS					
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS LIABILITY				EACH OCCURRENCE	$
	OCCUR / CLAIMS MADE				AGGREGATE	$
	DEDUCTIBLE					$
	RETENTION $					$
						$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	A09217132	08/01/11	08/01/12	X WC STATUTORY LIMITS / OTHER	
					E.L. EACH ACCIDENT	$1,000,000
					E.L. DISEASE - EA EMPLOYEE	$1,000,000
	OTHER				E.L. DISEASE - POLICY LIMIT	$1,000,000

RECEIVED AUG 24 2011 BY

OK CPS

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Location 1: 1990 S. Bundy Dr., #800
Los Angeles, CA 90025

Location 2: 701 University Dr., #108
Sacramento, CA 95825

*Waiver of Subrogation issued in favor of the certificate holder.

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

City of Inglewood Redevelopment Agency
One Manchester Blvd.
Inglewood, CA 90301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

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☑ TRUCK INSURANCE EXCHANGE NCCI CO. NO. 18244

FARMERS INSURANCE EXCHANGE NCCI CO. NO. 17744

☐ MID-CENTURY INSURANCE COMPANY NCCI CO. NO. 12998

s 9026B
CALIFORNIA
2nd Edition

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

Named Insured: SANLI, PASTORE & HILL, INC.
1990 S BUNDY DR STE 800
LOS ANGELES, CA 900255244

Agent: 29-49-335

Policy Number of the Company: A09217132-11

Policy Year: 2011

Effective Date: 8/1/2011

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury coverd by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 3 % of the California Workers' Compensation premium otherwise due on such remuneration. Minimum Charge: $250.00

Schedule

Person or Organization		Job Description
CITY OF INGLEWOOD REDEVELOPMENT AGENCY ONE MANCHESTER BLVD INGLEWOOD CA 90301	$25000	1990 S BUNDY DR LOS ANGELES CA 90025 BUSINESS VALUATION FOR PLANNING

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

Countersigned Dennis Cockerham

Authorized Representative

AGREEMENT NO.: 10-93

AMENDMENT NO.: 2 TO AGREEMENT NO.: R-08-15

THIS AMENDMENT NO.: 2 TO AGREEMENT NO. R-08-15 is made and entered into this 14th day of September, 2010, by and between the INGLEWOOD REDEVELOPMENT AGENCY (hereinafter referred to as "Agency") and BERGMAN AND DACEY (hereinafter referred to as "Special Counsel,") with its principal place of business located at 10880 Wilshire Boulevard, Suite 900, Los Angeles, California 90024.

WHEREAS, on July 1, 2008, Agency awarded Special Counsel with Agreement No. R-08-15 to engage in various litigation and transactional matters on behalf of the Agency; and

WHEREAS, on August 11, 2009, Agency awarded Special Counsel with Amendment No. R-09-36 to engage in various litigation and transactional matters on behalf of the Agency; and

WHEREAS, Agency desires to retain Special Counsel to provide legal services and representation on issues related to various Agency matters; and

WHEREAS, Special Counsel desires to provide Agency with legal services and represents that it is ready, willing, able, qualified and experienced to provide such services and representation; and

WHEREAS, this amendment is needed to increase the compensation allocated to Special Counsel.

NOW THEREFORE, the parties agree to amend Agreement No. R-08-15 as follows:

Article 4 -- COMPENSATION

1. Agency agrees to compensate Special Counsel an additional amount of fifty thousand dollars ($70,000) for services faithfully rendered for a total amount to date of two hundred and five thousand dollars

($205,000); ($50,000 for Agreement No. R-08-15, plus $85,000 for Amendment No. 1, plus $70,000 for this Amendment);

Except as herein amended, all other terms and conditions of Agreement No. R-08-15 shall remain in full force and effect.

IN WITNESS WHEREOF, Agency and Special Counsel have executed this Agreement as of the date and year first above written.

BERGMAN AND DACEY

SPECIAL COUNSEL

INGLEWOOD REDEVELOPMENT AGENCY

DANIEL K TABOR
CHAIRPERSON

ATTEST:

Cheryl Moore, Deputy City Clerk
for: YVONNE HORTON,
AGENCY SECRETARY

APPROVED AS TO FORM:

CAL P. SAUNDERS, Esq.
AGENCY COUNSEL

N:\JALEWIS\Contracts\Amendments\(Redevelopment) -Bergman and Dacey (7.1.08) #1 (6.30.09) #2 (9.14.10).doc

AGREEMENT NO.: 10-93

AMENDMENT NO.: 2 TO AGREEMENT NO.: R-08-15

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WHEREAS, Agency desires to retain Special Counsel to provide legal services and representation on issues related to various Agency matters; and

WHEREAS, Special Counsel desires to provide Agency with legal services and represents that it is ready, willing, able, qualified and experienced to provide such services and representation; and

WHEREAS, this amendment is needed to increase the compensation allocated to Special Counsel.

NOW THEREFORE, the parties agree to amend Agreement No. R-08-15 as follows:

Article 4 -- COMPENSATION

1. Agency agrees to compensate Special Counsel an additional amount of fifty thousand dollars ($70,000) for services faithfully rendered for a total amount to date of two hundred and five thousand dollars

($205,000); ($50,000 for Agreement No. R-08-15, plus $85,000 for Amendment No. 1, plus $70,000 for this Amendment);

Except as herein amended, all other terms and conditions of Agreement No. R-08-15 shall remain in full force and effect.

IN WITNESS WHEREOF, Agency and Special Counsel have executed this Agreement as of the date and year first above written.

BERGMAN AND DACEY

SPECIAL COUNSEL

INGLEWOOD REDEVELOPMENT AGENCY

DANIEL K TABOR
CHAIRPERSON

ATTEST:

Cheryl Moore, Deputy City Clerk
for: YVONNE HORTON,
AGENCY SECRETARY

APPROVED AS TO FORM:

CAL P. SAUNDERS, Esq.
AGENCY COUNSEL

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California

04/21/10 AT 08:00AM

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When Recorded Mail To:

Inglewood Redevelopment Agency
City Hall
One Manchester Boulevard, Suite 450
Inglewood, California 90301
Attention: Executive Director

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19

AGREEMENT CONTAINING COVENANTS
(Including Affordable Housing Restrictions)

THIS AGREEMENT CONTAINING COVENANTS (Including Affordable Housing Restrictions) ("Agreement") is made as of the 9th day of MARCH, by and between CLOUDBREAK INGLEWOOD, LLC, a California limited liability company ("Participant"), and THE INGLEWOOD REDEVELOPMENT AGENCY ("Agency"), with reference to the following facts:

RECITALS

A. Agency and Participant have heretofore entered into that certain Owner Participation Agreement dated July 12, 2007, as amended by that certain First Implementation Agreement dated MARCH 9 3, 2010 (collectively, the "OPA"), ~~which is incorporated herein by this reference~~. Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the OPA.

B. Pursuant to the OPA, Participant has agreed to develop and use the Site which is the subject of the OPA for the development of an affordable housing apartment complex comprised of one hundred ninety-six (196) residential dwelling units (the "Affordable Units") to be known as "Westside II" and which will be rented to and occupied exclusively by Very Low, Low, and Moderate Income households (as defined below) for not less than 55 years (the "Project"). The Site is legally described in Exhibit A, which is attached hereto and incorporated herein by this reference.

NOW, THEREFORE, in consideration of the foregoing, the Participant and Agency hereby agree that the Site and the Project located thereon shall be subject to the following covenants and conditions which shall run with the land, and be binding on all

parties having any right, title or interest in the Site, their respective heirs, legatees, devisees, administrators, executors, successors and assigns, and shall inure to the benefit of the Agency, the City of Inglewood (the "City") and their respective successors and assigns.

1. **Definitions**

In addition to terms that are otherwise defined herein, the following terms shall have the following respective meanings:

"Affordable Units" shall refer to the one hundred ninety-six (196) residential dwelling units to be developed as part of the Project on the Site which shall be rented and occupied exclusively by Very Low, Low, and Moderate Income households.

"AMI" shall mean the area median income of Los Angeles County, adjusted for household size, as published annually by the Department of Housing and Community Development and determined in accordance with the U.S. Department of Housing and Urban Development published criteria from time to time in effect.

"City" shall mean the City of Inglewood, California.

"Community Redevelopment Law" shall mean the Community Redevelopment Law of the State of California, as set forth in California Health and Safety Code Section 33000 et seq.

"Low Income" shall have the meaning set forth in California Health and Safety Code Section 50079.5.

"Moderate Income" shall have the meaning set forth in California Health and Safety Code Section 50093.

"Permitted Transfer" means an assignment of this Agreement and conveyance of the Site to another corporation, partnership or limited liability company established by and substantially controlled by Participant. Notwithstanding any provision to the contrary contained herein, any event described in this definition shall not be deemed to be a Permitted Transfer unless the Agency Executive Director or designee reasonably determines that the Participant retains control over the management and operations of the entity, whether as managing general partner of a partnership, controlling shareholder of a corporation or otherwise. Any "Permitted Transfer" shall be subject to the reasonable approval of the Agency Executive Director or designee.

"Project" shall be the development upon the Site of an affordable housing apartment complex comprised of one-hundred ninety-six (196) units to be rented to and occupied by persons or households, as more particularly described in and in accordance with the Scope of Development attached to the OPA as Attachment No. 3.

"Redevelopment Plan" shall mean the Redevelopment Plan for the Merged Redevelopment Project Area, which was approved and adopted on February 26, 2002, by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 by the City Council of the City of Inglewood.

"Site" shall mean that certain real property located at 725-733 Hindry Ave, Inglewood, California, and legally described in the legal description attached hereto as Exhibit A. The Site is part of the Westside Veterans Campus.

"Transfer" shall have the meaning set forth in Section 6.d. of this Agreement.

"Very Low Income" shall have the meaning set forth in California Health and Safety Code Section 50105.

2. **Uses**

a. **General**. The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that the Participant shall construct and operate the Project pursuant to all of the terms and conditions of this Agreement and the OPA. The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that the Participant shall use the Site only for the construction and operation of the Project pursuant to all of the terms and conditions of this Agreement and the OPA.

b. **Unit Mix.** The Unit Mix of the Project shall be as follows:

1. One Hundred Forty-Eight (148) of the Affordable Units shall be "efficiency units," each containing living quarters consisting of one (1) full bathroom (shower only), and a kitchenette comprised of a sink, small refrigerator, cabinets and counter space (the "Efficiency Units"); and

2. Forty-Eight (48) of the Affordable Units shall consist of single room occupancy units (the "SRO Units").

c. **Occupancy Restrictions.** The Project shall be occupied by persons and households specifically set forth herein. However, notwithstanding the foregoing, occupancy preference for the Affordable Units may be given to United States veterans that meet the Affordability Restrictions established below for the Affordable Units; and

d. **Affordability Restrictions.** The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, for the longest feasible time, but not less than fifty-five (55) years from the date of the recordation of the Release of Construction

Covenants as described in Section 228 of the OPA (the "Restricted Period"), that the Affordable Units shall be restricted as follows:

(1) Forty (40) of the SRO Units shall be made available to and occupied by persons or households whose income does not exceed fifty percent (50%) of the average median income of Los Angeles County, adjusted for household size, as published annually by the Department of Housing and Community Development and determined in accordance with the U.S. Department of Housing and Urban Development published criteria from time to time in effect ("AMI"), at an initial monthly rental rate of Four Hundred Sixteen Dollars ($416.00). The initial monthly rental rate may be adjusted from time to time so long as the rental rate does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times fifty percent (50%) of AMI.

(2) Eight (8) of the SRO Units shall be made available to and occupied by persons or households whose income does not exceed fifty percent (50%) of AMI at an initial monthly rental rate of Five Hundred Forty-Three Dollars ($543.00). The initial monthly rental rate may be adjusted from time to time so long as the rental rate does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times fifty percent (50%) of AMI.

(3) Forty-Five of the Efficiency Units shall be made available to and occupied by persons or households whose income does not exceed fifty percent (50%) of AMI at an initial monthly rental rate of Five Hundred Forty-Three Dollars ($543.00). The initial monthly rental rate may be adjusted from time to time so long as the rent does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times fifty percent (50%) of AMI.

(4) Sixty (60) of the Efficiency Units shall be made available to and occupied by persons or households whose income does not exceed sixty percent (60%) of AMI at an initial monthly rental rate of Six Hundred Fifty–Two Dollars ($652.00). The initial monthly rental rate may be adjusted from time to .time so long as the rent does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times sixty percent (60%) of AMI.

(5) Forty-Three (43) of the Efficiency Units shall be made available to and occupied by persons or households whose income does not exceed one hundred and twenty percent (120%) of AMI at an initial monthly rental rate of Seven Hundred Forty Dollars ($740.00). The initial monthly rental rate may be adjusted from time to .time so long as the rent does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times one hundred and ten

percent (110%) of AMI.

e. **Operating Covenants**. The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that the Site and the Project shall be operated in conformity with all applicable laws, rules, regulations and ordinances, including without limitation, all applicable federal and state labor standards, maintain any improvements on the Site, keep the Site and such improvements free from any accumulation of debris or waste materials, and maintain the landscaping in a healthy condition.

Moreover, the Participant and any and all successors-in-interests to the Property, shall perform and operate all activities on the Property in full compliance with Article 4 and 5, Multiple Family Zone Regulators of the Inglewood Municipal Code, as amended from time to time.

f. **Obligation to Refrain from Discrimination**. The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof or interest therein, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall Participant, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property.

g. **Form of Nondiscrimination and Nonsegregation Clauses**. The Participant shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, ancestry, national origin, sex, or marital status of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of

discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."
Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

3. In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself

or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

3. **Annual Report**

The Participant for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, covenants and agrees to submit to the Agency an annual report (the "Annual Report") required by Community Redevelopment Law Section 33418. The Annual Report shall include for each Affordable Unit the monthly rent rate, the type of Affordable Unit, the income of the renter and whether or not the renter is a veteran or non-veteran. The income information shall be supplied by the renter in a certified statement on a form approved by the Agency. The Participant shall submit the Annual Report on or before the end of the first calendar quarter of the year following the year covered by the Annual Report. The Participant shall provide for the submission of such information in its leases with renters of the Affordable Units.

4. **Enforcement**

The Agency and the City of Inglewood are deemed to be the beneficiaries of the terms and provisions of this Agreement and the covenants herein, both for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. The Agency and the City shall have the right if any covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it is entitled.

5. **Defaults**

Failure or delay by Participant to perform any term or provision of this Agreement constitutes a default.

a. The Agency shall give written notice of default to the Participant, specifying the default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

b. Any failures or delays by the Agency in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by the Agency in asserting any of its rights and remedies shall not deprive the Agency of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

c. If a monetary event of default occurs, prior to exercising any remedies hereunder, Agency shall give the Participant written notice of such default. Participant shall have a reasonable period of time after such notice is given within which to cure the default prior to exercise of remedies by Agency. In no event shall Agency be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within thirty (30) days after the notice of default is first given.

d. If a non-monetary event of default occurs, prior to exercising any remedies hereunder, Agency shall give Participant notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Participant shall have such period to effect a cure prior to exercise of remedies by the Agency. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Participant (1) initiates corrective action within said period, and (2) diligently and in good faith works to effect a cure as soon as possible, then Participant shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Agency. In no event shall Agency be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the notice of default is first given.

6. **Prohibition Against Transfer**

a. Prior to the recordation of a Release of Construction Covenants as set forth in the OPA, the Participant shall not make or attempt to make a Transfer without prior written approval of the Agency, except for a Permitted Transfer or such other Transfer as is expressly permitted by this Agreement, the OPA or the Agency Deed of Trust. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. Agency may grant or deny such consent in its sole discretion and, if consent should be given, any Transfer shall be subject to this Section, and any transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein.

b. Any such proposed transferee shall have the qualifications and financial responsibility necessary and adequate as may be reasonably determined by the Agency, to fulfill the obligations undertaken in this Agreement and the OPA by the Participant. Any such proposed transferee, by instrument in writing satisfactory to the Agency and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the Agency shall expressly assume all of the obligations of the Participant under this Agreement, the OPA and all other agreements related thereto

and agree to be subject to all conditions and restrictions applicable to the Participant in this Agreement, the OPA and all other agreements related thereto. There shall be submitted to the Agency for review all instruments and other legal documents proposed to effect any such transfer; and if approved by the Agency its approval shall be indicated to the Participant in writing.

c. In the absence of specific written agreement by the Agency, no unauthorized Transfer, or approval thereof by the Agency, shall be deemed to relieve the Participant or any other party from any obligations under this Agreement.

d. (1) As used herein, "Transfer" includes the sale, agreement to sell, transfer or conveyance of the Site, the Project, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract or similar instrument affecting all or a portion of the Site or Project, or the lease of all or substantially all of the Site or Project;

(2) "Transfer" shall also include the transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of the Participant;

(3) Notwithstanding paragraphs (1) and (2) of this subsection, Participant shall be permitted to make the following Transfers:

(a) Subject to Section 221 of the OPA, foreclosure of any Mortgage, or the conveyance of title to the Site and/or Project in connection with a foreclosure or a deed in lieu of foreclosure of any Mortgage;

(b) Assignments where the Participant is the majority/controlling/voting shareholder, general partner or managing member owning at least a fifty-one percent (51%) share or interest in the proposed assignee.; and

(c) The leasing for occupancy of all or any part of the Site and/or Project.

7. **<u>No Encumbrances Except Senior Encumbrances</u>**

a. Subject to Section 221 of the OPA, the Participant may execute and record against the Site any Mortgages.

b. Except for the Mortgages authorized in accordance with the OPA, without the express written consent of Agency, which Agency may grant, condition or deny in its reasonable discretion, Participant shall not execute, enter into or permit to be recorded against the Site or Project any mortgage, deed of trust or other security instrument.

8. **Right of Agency to Cure Defaults**

In the event of a default or breach by the Participant of any mortgage, deed of trust or other security interest with respect to the Site or Project, the Agency may cure the default prior to completion of any foreclosure. In such event, the Agency shall be entitled to reimbursement from the Participant of all costs and expenses incurred by the Agency in curing the default. Pursuant to Civil Code Section 2881, the Agency shall also be entitled to a lien upon the Site and the Project (or any portion thereof) to the extent of such costs and disbursements.

Without limiting the generality of the foregoing, Participant hereby agrees to provide, and agrees to cause any Mortgagee to provide, the Agency with all of the following rights:

a. Upon the occurrence of any event of default under any Mortgage, Participant and the Mortgagee shall notify Agency contemporaneously with the delivery to Participant of any notice of default under the Mortgage.

b. The Agency shall have the right, during any cure periods afforded to the Agency under applicable law but in no event shall any cure period be shorter than that afforded Participant under the Mortgage, to cure any default of the Participant under the Mortgage. The Mortgagee shall be obligated to recognize and accept any such cure by the Agency.

c. Any Mortgagee must approve the Agency as an assignee of the Mortgage in the event the Agency desires to assume the Mortgage, in the Agency's sole and absolute discretion.

9. **Removal of Property From Tax Roll**

If for any reason the Property or any portion of the Property is taken off the official tax roll of Los Angeles County, the Participant agrees for itself and all successors-in- interest, that it shall pay to the Agency within ninety (90) days following such removal, an amount equal to the present value sum of the "tax increment" that the Agency would otherwise be entitled to receive due to property taxes generated and paid on the Property during the term of the Redevelopment Plan (the "In-Lieu Tax Payment"). The amount of the In-Lieu Tax Payment shall be determined in the sole discretion of the Agency and shall remain a valid and enforceable lien on the Property until paid.

10. **General Provisions**

a. **Agency and City as Beneficiaries**

(1) All covenants and conditions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by the Agency and City, and their respective successors and assigns, against the Participant and its heirs, legatees, devisees, administrators, executors, successors and assigns.

(2) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that the Agency and City shall be deemed beneficiaries of the covenants provided for in this Agreement, both for and in their own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of the Agency and City, and such covenants shall run in favor of the Agency and City for the entire period during which such covenants shall be in force and effect, without regard to whether the Agency or City is or remains an owner of any land or interest therein to which such covenants relate. Agency and City shall have the right, in the event of any breach of any such covenant or condition, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of covenant or condition.

b. **Irrevocability; Term of Agreement**

This Agreement and the lien created hereby shall be irrevocable by the Participant, its successors and assigns to the Site or any portion thereof. The covenants against discrimination set forth in Sections 2.d and 2.e. shall remain in effect in perpetuity. All other covenants contained in this Agreement shall remain in effect for the longest feasible time, but not less than the Restricted Period.

c. **Amendment of Agreement**

Only the Agency, its successors and assigns, and the Participant, and the heirs, legatees, devisees, administrators, executors, successors and assigns of the Participant in and to the fee title to the Site (or portion thereof) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or conditions contained in this Agreement,

or to subject the Site or any Affordable Unit to additional covenants or conditions, without the consent of any renter, lessee, easement holder, licensee, or any other person or entity having an interest less than a fee in the Site (or portion thereof) or an Affordable Unit.

d. **Severability**

The provisions of this Agreement shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

e. **Interpretation**

The provisions of this Agreement shall be liberally construed and interpreted to effectuate its purposes. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

f. **Applicable Law**

This Agreement and the lien created hereby shall be governed by and construed according to the laws of the State of California.

g. **Number, Gender and Headings**

As used in this Agreement, the singular shall include the plural and the masculine shall include the feminine and the neuter, unless the context requires the contrary. All headings are not a part hereof, and shall not affect the interpretation of any provision.

h. **Notices**

Any notice to the Agency pursuant to this Agreement shall be deemed given when delivered personally to the Executive Director of the Agency or any duly authorized officer of the Agency, or upon deposit in the U.S. mail, postage prepaid, certified mail and return receipt requested, addressed to:

Inglewood Redevelopment Agency
City Hall
One Manchester Boulevard, Suite 450
Inglewood, California 90301
Attention: Executive Director

With a copy to:

Agency General Counsel
Inglewood Redevelopment Agency
One Manchester Boulevard, 8th Floor
Inglewood, California 90301
Attention: Cal P. Saunders

Agency Special Counsel
Kane, Ballmer & Berkman
515 S. Figueroa Street, Suite 1850
Los Angeles, California 90071
Attention: Royce K. Jones

Any notice to the Participant pursuant to this Agreement shall be deemed given when delivered personally to the Participant or upon deposit in the U. S. Mail, postage prepaid, certified mail and return receipt requested, addressed to the Participant at the following address or such other address as has been designated by the Participant to the Agency in a notice given pursuant to this Section:

Cloudbreak Inglewood, LLC
733 South Hindry Avenue
Inglewood, CA 90301-3055
Attention: Randy Bishop

i. **Rights and Remedies Are Cumulative**

The rights and remedies of the Agency with respect to the enforcement of the obligations contained in this Agreement are cumulative, and the exercise by the Agency of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default hereunder.

j. **Counterparts**

This instrument may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original Agreement.

The "Effective Date" of this Agreement shall be the date on which this Agreement is executed and dated by the Chairman of the Agency

IN WITNESS WHEREOF, the Agency and Participant have signed this Agreement in the City of Inglewood, Los Angeles County, California, as of the dates set opposite their signatures.

INGLEWOOD REDEVELOPMENT AGENCY
(Agency)

Date: 3·23·10

By: _____
Vice Chairperson

CLOUDBREAK INGLEWOOD, LLC,
a California limited liability company
(Participant)

Date: 3-9-2010

By: _____
Name: Peter W. Rostkmar
Its: Manager

APPROVED AS TO FORM AND LEGALITY
on this 10th day of MARCH, 2010.

CAL P. SAUNDERS
Agency General Counsel

By: Cal P. Saunders
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Agency Special Counsel

By: _____
Royce K. Jones

16

ATTEST:

By: _____
Agency Secretary

ACKNOWLEDGMENT

State of California
County of Los Angeles)

On March 9, 2010 before me, Stephanie M. Duran Notary Public
(insert name and title of the officer)
personally appeared Peter W. Dostlmayr,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

SEC1 STEPHANIE M. DURAN
COMM. #1739363
NOTARY PUBLIC-CALIFORNIA
Los Angeles County
My Comm. Expires Apr 21, 2011 SEC1

State of California

County of Los Angeles

Notary Public

On 3-23-10 before me, Tunisia Johnson, personally appeared DANIEL K TABOR, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 Tunisia Johnson (Seal)

TUNISIA JOHNSON
Commission # 1815748
Notary Public - California
Los Angeles County
My Comm. Expires Oct 3, 2012

State of California

County of _____

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

EXHIBIT A

LEGAL DESCRIPTION

[Attached behind this Page]

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1 of the Parcel Map No. 66370, in the City of Inglewood, County of Los Angeles, State of California , as per Parcel Map recorded in Book 366, Page 10-13, of [Parcel Maps/Miscellaneous Records], in the Office of the County Recorder of said County.

CITY'S ORIGINAL

12-050

COOPERATION AGREEMENT
FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN REDEVELOPMENT AGENCY FUNDED LOW AND MODERATE INCOME HOUSING PROJECTS

THIS COOPERATION AGREEMENT (this "**Agreement**") is entered into as of April 10, 2012, by and between the CITY OF INGLEWOOD, a municipal corporation (the "**City**") and the INGLEWOOD HOUSING AUTHORITY, a public body, corporate and politic (the "**Authority**") with reference to the following facts:

A. The City Council of the City of Inglewood (the "**City Council**") adopted the Merged Inglewood Redevelopment Plan, for the Merged Inglewood Redevelopment Project Area, which comprises the following subareas La Cienega, Century, Imperial-Prairie, In Town, 2002 Added Area Century, 2002 Added Area La Cienega, 2002 Added Area In Town, Amendment Area La Cienega, North Inglewood Industrial Project, and Manchester-Prairie (collectively, the "**Project Area**"), which resulted in the allocation of certain tax increment property taxes ("Tax Increment") from the Project Area to the former Inglewood Redevelopment Agency (the "**Agency**") for purposes of certain redevelopment activity generally within the Project Area.

B. Sections 33334.2 and 33334.3 of California's Community Redevelopment Law [Health & Safety Code §§33000, et seq.] (the "**CRL**") required the Agency to use 20 percent of Tax Increment allocated to the Agency pursuant to Section 33670 of the CRL (the "**LMIHF**") for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing.

C. The intent of the Redevelopment Plan is, in part, to increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside the Project Area, and to expend the Tax Increment allocated to the Agency pursuant to Section 33670 of the CRL to accomplish these goals and objectives in conformity with the Redevelopment Plan.

D. The Agency has adopted its Five-Year Implementation Plan for the Project Area, as amended from time to time (the "**Implementation Plan**") with established goals to support affordable housing, economic development, community revitalization, commercial revitalization, and institutional revitalization. To implement the programs and activities associated with each goal, the Agency made certain redevelopment fund commitments and budget allocations based on estimated available Tax Increment revenue and debt financing structures.

E. Pursuant to Sections 33220 and 33206 of the CRL and Section 34312.5 of California's Housing Authorities Law [Health & Safety Code §§34200, et seq.] ("**Housing Law**"), certain public bodies, including the City and the Authority may aid and cooperate in the planning, undertaking, construction, or operation of low and moderate income housing in the community.

F. To carry out the Agency's redevelopment program in accordance with the objectives and purposes of the Redevelopment Plan for the Project Area and the Implementation Plan, the Agency and the City entered into a Cooperation Agreement For Payment of Costs Associated With Certain RDA Funded Capital Improvement and Affordable Housing Projects dated as of

January 25, 2011, as amended on February 15, 2011 and March 10, 2011 by virtue of a First Amendment and Second Amendment, respectively (the "**Agency-City Cooperation Agreement**"), which provides for the implementation and completion of certain redevelopment projects and programs, including the low and moderate income housing projects and programs listed in the attached Exhibit 1, which are incorporated herein by this reference (the "**Projects**").

G. On January 10, 2012, the City of Inglewood approved a resolution pursuant to Assembly Bill No. 26 (2011-2012 1st Ex. Sess.) designating the Inglewood Housing Authority to receive the assets and perform the housing functions previously performed by the Agency. On January 10, 2012 the Inglewood Housing Authority approved a resolution accepting the transfer of the housing assets and functions of the Agency. The City and the Authority now desire to effectuate the transfer of the housing assets and functions to the Authority and to carry out the intent of the Agency-City Cooperation Agreement.

H. Pursuant to Sections 33220 and 33206 of the CRL and Sections 34312.5 and 34327 of the Housing Law and Section 34509 of California's Housing Cooperation Law [Health & Safety Code §§34500, et seq.], the City desires to obtain the Authority's assistance and cooperation in completing the Projects, and further desires to assist and cooperate in the Authority's remedying of the conditions set forth in the Housing Authorities Law, by contracting with the Authority for the implementation and completion of the Projects.

I. The activities associated with the Projects include but are not limited to acquisition and disposition of property, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, financing and new construction or rehabilitation, construction management, mortgage assistance to qualifying households, subsidies to individuals and families, asset management, project monitoring and administration of agreements. To carry out the Projects in accordance with the Agency-City Cooperation Agreement and the objectives and purposes of the Redevelopment Plan for the Project Area and the Implementation Plan, the City desires assistance and cooperation in the implementation and completion of the Projects. The Authority agrees to aid the City and cooperate with the City to expeditiously implement the Projects in accordance with the Agency-City Cooperation Agreement and the Redevelopment Plan and the Implementation Plan and to undertake and complete actions necessary or appropriate to ensure that the housing objectives of the Redevelopment Plan and the Implementation Plan are fulfilled within the time effectiveness of the Project Area.

J. In considering the City's desire to ensure timely implementation and completion of the Projects, the City wishes to enter into this Agreement with the Authority for the payment of net available Tax Increment previously received by the City from the Agency under the Agency-City Cooperation Agreement to finance the Projects. The purpose of this Agreement is to facilitate the implementation of the Projects and to provide funding necessary to effectuate the completion of the Projects with net available Tax Increment in this current fiscal year and forthcoming fiscal years.

K. The obligations set forth in this Agreement are contractual obligations that, if breached, will subject the City to damages and other liabilities or remedies.

L. The City Council and the Agency by resolution have each found that the use of the Agency's LMIHF for the Projects that are located outside of the Project Area is in accordance with Section 33334.2 of the CRL because the use of such funds will be of benefit to the Project Area.

M. By approving and entering into this Agreement, the City has approved the commitment of net available Tax Increment from the Project Area to pay for the Projects.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. INTRODUCTORY PROVISIONS

The recitals above 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.

II. CITY'S OBLIGATIONS

1. The Projects are those projects which are listed on the attached Exhibit 1. The City agrees to pay to the Authority an amount equal to the cost to the Authority to carry out the Projects, including without limitation all costs incurred by the Authority for the acquisition and disposition of property, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, financing and new construction or rehabilitation, construction management, asset management, mortgage assistance to qualifying households, subsidies to individuals and families, project monitoring and administration of agreements and the Authority's administrative costs in carrying out the Projects, including the Authority's overhead, payroll and benefits, insurance, supplies, telephone, copying, fixtures, furniture, equipment, legal, accounting and other professional fees and costs, and other reasonable, customary and lawful administrative expense of the Authority related to carrying out the Projects in amounts that are not disproportionate to the amount actually spent for the costs of carrying out the Projects. The obligations of the City set forth in this Agreement are contractual obligations that, if breached, will subject the City to damages and other liabilities or remedies.

2. The obligations of the City under this Agreement shall be payable solely out of funds received by the City from the Agency under the Agency-City Cooperation Agreement in amounts set forth in the Payment Schedule attached hereto as Exhibit 2 and incorporated herein by this reference. The City shall have no obligation whatsoever to utilize any other source of funds, other than funds received by the City from the Agency under the Agency-City Cooperation Agreement, to make the payments to the Authority required hereunder.

3. All payments due to be made by the City to the Authority under this Agreement shall be made by the City in accordance with the schedule set forth in Exhibit 2 and as otherwise necessary to reimburse the Authority for the cost to the Authority of performing its obligations hereunder. The Authority shall provide the City with an annual report accompanied by evidence reasonably satisfactory to the City Manager that the Authority has progressed in the development and construction of the Project for which payment is made by the City commensurate with such payments and has incurred costs or obligations to make payments equal to or greater than such

amount. The City shall make the payments to the Authority required under this Agreement on or before the first day of each Fiscal Year beginning with the Fiscal Year immediately following the date of this Agreement. Notwithstanding the foregoing, the City may at any time and from time to time prepay to the Authority all or any portion of the payments required under this Agreement prior to the due date of such payments.

III. AUTHORITY'S OBLIGATIONS

1. The Authority shall accept any funds offered and made available by the City pursuant to this Agreement and shall devote those funds to completion of the Projects by (i) reimbursing the Authority or using such funds to make Authority expenditures to perform the work required to carry out and complete the Projects; (ii) utilizing such funds to pay debt service on bonds or other indebtedness or obligations that the Authority has or will incur for such purposes; and/or (iii) paying such funds into a special fund of the Authority to be held and expended only for the purpose of satisfying the obligations of the Authority hereunder.

2. It is the responsibility of the Authority to pay all development and construction costs in connection with the Projects from funds paid to the Authority by the City under this Agreement.

3. The indebtedness of the City under this Agreement shall be subordinate to the rights of the holder or holders of any existing bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of the Agency incurred or issued to finance the Project Area, including without limitation any pledge of tax increment revenues from the Project Area to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by the Agency with respect to the Project Area.

4. The Authority shall perform its obligations hereunder in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws, including but not limited to the applicable requirements of the California Environmental Quality Act, and shall timely complete the work required for each Project in accordance with the Schedule of Performance attached hereto as Exhibit 3 and incorporated herein by this reference. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by the City Manager and the Authority's Executive Director.

IV. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of California Government Code section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses

that may be incurred by such other party solely by reason of Government Code section 895.2. Notwithstanding the foregoing, each party's obligation to indemnify, defend and hold harmless the other party is limited to and will be payable solely with the net available Tax Increment received by such party under the applicable Cooperation Agreement.

V. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

1. This Agreement may be executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of seven (7) pages and three (3) Exhibits, which constitute the entire understanding and agreement of the parties.

2. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

3. This Agreement is intended solely for the benefit of the Authority and the City. Notwithstanding any reference in this Agreement to persons or entities other than the Authority and the City, there shall be no third party beneficiaries under this Agreement.

4. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties. The Authority's Executive Director and the City Manager are hereby authorized to execute all documents and instruments and take all actions necessary and convenient to carry out this Agreement. If the Authority's Executive Director and the City Manager determine that it is necessary or convenient, in furtherance of the City's obligations under the Agency-City Cooperation Agreement and the Authority's powers and obligations under the Housing Authorities Law, for the Authority to carry out additional projects identified in the Agency-City Cooperation Agreement, they are hereby authorized to execute all documents and instruments approved by the Authority General Counsel and the City Attorney and to take all actions necessary and appropriate to effectuate such a transfer from the City to the Authority of such projects and the tax increment funds required for the Authority to carry out such projects.

VI. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

VII. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce

the provisions of this contract, including without limitation the right to sue for damages for breach of contract and the right to seek specific performance of the terms of this Agreement. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

VIII. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law. This Agreement shall survive any full or partial merger of the Authority and the City and shall remain separate obligations of the Authority and the City and be fully enforceable according to its terms.

[Signatures on Following Page]

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

"AUTHORITY"
INGLEWOOD HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
James T. Butts, Jr.
Chairman

Dated: 4/25/2012

ATTEST:

By: _____
Yvonne Horton
Authority Secretary

APPROVED AS TO CONTENT:

By: _____
Artie Fields
Executive Director

APPROVED AS TO FORM:

CAL P. SAUNDERS
Authority General Counsel

By: _____
Cal P. Saunders

"CITY"
THE CITY OF INGLEWOOD,
a Municipal Corporation

By: _____
James T. Butts, Jr.
Mayor

Dated: 4/25/2012

ATTEST:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO CONTENT:

By: _____
Artie Fields
City Manager

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Authority Special Counsel

By:_____
Royce K. Jones

APPROVED:

KANE, BALLMER & BERKMAN
City Special Counsel

By:_____
Royce K. Jones

EXHIBIT 1

AFFORDABLE HOUSING PROJECTS and PROGRAMS

	Replacement Housing Project Name	Number of Units
1)	Yukon Avenue & 118th Street	9 SFR Homes
2)	716 Beach Avenue	6-8 Apartments
3)	Abode - 100 E. Nutwood Street	62 Apartments
4)	Regency Towers - 151 N. Locust Street (Monitoring)	91 Apartments
5)	8205 Crenshaw Boulevard	9 Townhomes
6)	Regents Square - 527 Regent Street	145 Apartments
7)	Osage Senior Villas - 924-926 Osage Avenue (Monitoring)	91 Apartments
8)	First Time Homebuyer Program	N/A

Exhibit 2

Low and Moderate Income Housing Fund

Portion of That Certain Payment Schedule

Payment Schedule

Payment Date		Total
1/31/2013	$	15,825,000
1/31/2014	$	16,695,375
1/31/2015	$	17,613,621
1/31/2016	$	18,582,370
1/31/2017	$	19,604,400
1/31/2018	$	20,682,642
1/31/2019	$	21,820,187
1/31/2020	$	23,020,298
1/31/2021	$	24,286,414
1/31/2022	$	25,622,167
1/31/2023	$	27,031,386
1/31/2024	$	28,518,112
1/31/2025	$	30,086,608
1/31/2026	$	31,741,372
1/31/2027	$	33,487,147
1/31/2028	$	35,328,940
1/31/2029	$	37,272,032
1/31/2030	$	39,321,994
1/31/2031	$	41,484,704
1/31/2032	$	43,766,362
1/31/2033	$	46,173,512
1/31/2034	$	48,713,055
1/31/2035	$	51,392,274
1/31/2036	$	51,930,026
	$	750,000,000

Exhibit 3

Schedule of Performance

Housing Authority	Year 1-5	Year 6-10	Year 10-15
Affordable Housing Projects			
	x	x	x

ORIGINAL

525604-CA2

COPY of Document Recorded
2012-0345003 3/6/12
Has not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR - RECORDER

When Recorded Return to:
CITY OF INGLEWOOD
One Manchester Boulevard
Inglewood, CA 90301
Attn: City Administrator

SPACE ABOVE THIS LINE FOR RECORDING USE

APNs: 4021-015-018;
4021-015-019;
4021-015-020 and
4021-015-021

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

AGREEMENT CONTAINING COVENANTS
(100 East Nutwood Street)

THIS AGREEMENT CONTAINING COVENANTS (the "Agreement") is entered into as of January 23, 2012, by and between GREVILLEA HOUSING, LP, a California limited partnership ("Developer"), and the CITY OF INGLEWOOD, a municipal corporation ("City").

WHEREAS, Developer is the owner of that certain real property (the "Property") located in the City of Inglewood more particularly described in Exhibit "A" which is attached hereto and incorporated herein by this reference; and

WHEREAS, for the purpose of providing housing that will be affordable to Very Low Income, Low Income Households, and Moderate Income Households, the Developer and City have entered into that certain Disposition and Affordable Housing Development Agreement, dated as of January 23, 2012 (the "Affordable Housing Agreement") to which this Agreement is attached as Attachment No. 12, which is incorporated herein by this reference (any capitalized term that is not otherwise defined in this Agreement shall have the meaning ascribed to such term in the Affordable Housing Agreement); and

WHEREAS, pursuant to the Affordable Housing Agreement, the City is providing financial assistance to Developer to assist in the acquisition and development of the Property, using Low and Moderate Income Housing Funds made available to the City by the Inglewood Redevelopment Agency; and

WHEREAS, the Developer seeks to obtain an allocation of Low Income Housing Tax Credits pursuant to the Tax Reform Act of 1986, as amended, and governed by Section 42 of Internal Revenue Code (the "Tax Credits") in accordance with the Affordable Housing Agreement; and

WHEREAS, the Affordable Housing Agreement contains certain provisions relating to the use of the Property.

NOW, THEREFORE, AUTHORITY AND DEVELOPER COVENANT AND AGREE AS FOLLOWS:

1. Maximum Incomes.

a. Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Developer, its successors and assignees shall use the Property exclusively to provide affordable housing for a wide range of persons and families of Very Low Income, Low Income, and Moderate Income, subject to all of the terms and conditions of this Agreement, except for one three-bedroom unit designated as the management unit for the on-site manager. The remaining 61 units shall be allocated as follows:

(i) Very Low Income Units. Seven (7) Units, including two (2) two-bedroom Units and five (5) three-bedroom Units, shall be rented exclusively to and occupied by or, if vacant, available for occupancy by Very Low Income Households in conformance with the rent requirements of Health & Safety Code section 50053(b)(2). A "Very Low Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for Very Low Income Households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by the State of California Department of Housing and Community Development ("HCD")

(ii) Lower Income Units. Forty six (46) Units, including thirty (30) two-bedroom Units and sixteen (16) three-bedroom Units, shall be rented exclusively to and occupied by or, if vacant, available for occupancy by Lower Income Households in conformance with the rent requirements of Health & Safety Code section 50053(b)(3). A "Lower Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for lower income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by HCD.

(iii) Moderate Income Units. Eight (8) Units, including three (3) two-bedroom Units and five (5) three-bedroom Units, which shall be rented exclusively to and occupied by or, if vacant, available for occupancy by Moderate Income Households in conformance with the rent requirements of Health & Safety Code section 50053(b)(4). A "Moderate Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for moderate income households, adjusted for Actual Household

Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by HCD.

b. The maximum incomes of eligible tenants shall be determined on the basis of the income limits for Very Low Income and Low Income households in the Los Angeles-Long Beach SMSA, published approximately annually by HCD. If HCD discontinues publishing such income limits, the term "Very Low Income" shall mean a household income that does not exceed 30% of fifty percent (50%) of the area median income, adjusted for family size; the term "Low Income" shall mean a household income that does not exceed 30% of sixty percent (60%) of the area median income, adjusted for family size; and "Moderate Income" shall mean a household income that does not exceed 30% of one hundred ten percent (110%) of the area median income, adjusted for family size. For the term of the Tax Credits, in no case shall household income exceed applicable Tax Credit income limits.

2. Maximum Rents.

a. Any rents charged to a tenant shall not exceed rents that are affordable to Very Low Income and Low Income Households, as applicable, (as "Affordable Rent" is defined below). The maximum rents, including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by Very Low Income, Low Income, and Moderate Income Households shall be the lowest of the maximum rent permitted to be charged pursuant to Tax Credit requirements, HOME Regulations, or Community Redevelopment Law, for so long as such requirements are applicable or the maximum rent for the applicable income level as set forth below:

(i) In the case of any Very Low Income Household, the maximum rent shall be a rent that does not exceed 30 percent of fifty (50%) percent of the area median income adjusted for household size appropriate to the unit, as determined by HCD.

(ii) In the case of any Low Income Household, the maximum rent shall be a rent that does not exceed 30 percent of sixty (60%) percent of the area median income adjusted for household size appropriate to the unit, as determined by HCD.

(iii) In the case of any Moderate Income Household, the maximum rent shall be a rent that does not exceed 30 percent of one hundred ten (110%) percent of the area median income adjusted for household size appropriate to the unit, as determined by HCD.

b. This requirement shall continue in effect for the Term of this Agreement.

c. Failure to comply with the affordability requirements of this Agreement following notice from the City and an opportunity to cure such failure is an event of default under the terms of the LMIHF Loan. Pursuant to the Promissory Note evidencing the LMIHF Loan (attached to the Affordable Housing Agreement as Attachment No. 10), subject to the right to cure, the LMIHF Loan will be due and payable immediately if the housing does not meet the affordability requirements of this Agreement.

d. Upon request, the City Administrator shall notify Developer of the maximum rents that may be charged (not to exceed "Affordable Rent") and the maximum income of persons who are eligible to occupy the Property, based on the then-current area median income. In no event shall rents exceed the maximum rent permitted by the tax credit regulations or (with regard to the breakdown of units set forth in Section 1(a) hereof) the rules applicable to the use of Low and Moderate Income Housing Fund moneys, whichever is lower.

3. Developer, its successors and assigns shall not charge rents in excess of the amounts determined as set forth in Section 2. In the event that the Developer has charged a tenant rent in excess of the amount set forth herein, Developer shall immediately reimburse the tenant the amount of overpayment, with interest, from the date of rental payment, at the highest non-usurious rate of interest permitted by law, within ten (10) days of such determination. Developer may revise rents not more than once annually (except in the event that (i) the California Tax Credit Allocation Committee or the California Department of Housing and Community Development establish higher or lower rents more than once annually or (ii) the utility allowance for the Property either increases or decreases, and provided that in any event, such rent revisions must conform to the terms of the unit leases and applicable law, including but not limited to landlord-tenant law), subject to any applicable rent control ordinance then in effect, but in no event shall rent be greater than the rent permitted by the adjusted rent limits.

4. Developer shall adopt written selection policies and criteria that meet the following requirements:

a. Are consistent with the purpose of providing housing for Very Low Income, Lower Income, and Moderate Income Households.

b. Are reasonably related to program eligibility and the Developer's ability to perform the obligations of all tenant leases.

c. Give reasonable consideration to the housing needs of persons that would have a preference under 42 CFR §906.211 (Federal selection preferences for admission to Public Housing);

d. Provide for:

(i) The selection of otherwise eligible tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

(ii) The prompt written notification to any rejected applicant of the grounds for any rejection;

e. Provide first priority in the selection of otherwise eligible tenants to persons displaced by the City; and

f. Carry out the Affirmative Marketing procedures of the City of Inglewood, to provide information and otherwise attract eligible persons from all racial, ethnic and gender

groups in the housing market area. Developer and City shall cooperate to effectuate this provision during the Developer's initial lease-up of the Property and as vacancies occur.

5. Developer, its successors and assigns, shall not refuse to accept for occupancy an otherwise eligible household that is a holder of a certificate or voucher under 24 CFR part 982-Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document.

6. This Section shall govern in the event of increases in tenant incomes: (a) A tenant who initially qualified as a Very Low Income Household, but who, due to an increase in income, no longer qualifies as a Very Low Income Household but does qualify as a Low Income Household, shall pay as rent an amount that is Affordable Rent to a Low Income Household, as defined in Section 2 above; (b) A tenant who initially qualified as a Low Income Household, but who, due to an increase in income, no longer qualifies as a Low Income Household but does qualify as a Moderate Income Household, shall pay as rent an amount that is Affordable Rent to a Moderate Income Household, as defined in Section 2 above and (c) a tenant who initially qualified as a Very Low Income, a Low Income, or a Moderate Income Household, but who, due to an increase in income, no longer qualifies as either a Very Low Income, a Low Income, or a Moderate Income Household, shall pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted income.

7. Any lease must provide for housing for not less than one year, unless by mutual agreement between the tenant and the Developer. The lease may not contain any of the following provisions (in which references to "owner" shall mean the Developer, its successors or assigns):

a. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

b. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;

c. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

d. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

e. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

f. Agreement by the tenant to waive any right to a trial by jury;

g. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the tenant housing agreement; and

h. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

8. Developer, its successors or assigns, may not terminate a lease or refuse to renew the lease of a tenant, except for: serious or repeated violation of the terms and conditions of the lease; violation of applicable federal, state, or local law; or other good cause. Any termination or refusal to renew must be provided by Developer's service upon the tenant of a written notice specifying the grounds for the action in the time and manner proscribed by law.

9. The Developer shall maintain the improvements on the Property in compliance with all applicable housing quality standards and local code requirements, and shall keep the Property free from any unreasonable accumulation of debris or waste materials. Prior to the recordation of this Agreement, Developer prepared and submitted to the City Administrator of the City for approval a program (the "Maintenance Program") for the maintenance of the Property and the Improvements (as described in the Agreement). For the Term of this Agreement, Developer, and its successors and assigns, shall maintain the Property and the Improvements in accordance with the approved Maintenance Program, as the same may be amended from time to time with the written approval of the City Administrator of the City. In the event Developer fails to maintain the Property and the Improvements in accordance with the approved Maintenance Program, the City shall have the right, but not the obligation, to enter the Property and the Improvements, correct any violation, and hold the Developer responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

10. The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, national origin, religion or sex in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property.

11. Prior to the Construction Financing Event, the Developer shall prepare and submit to the City Administrator for approval a Management Plan pursuant to Section 5.1 of the Affordable Housing Agreement, describing Developer's proposed plans for managing and operating the Property. For the Term of this Agreement, Developer shall manage and operate the Property in accordance with the approved Management Plan, including such amendments as may be approved in writing from time to time by the Developer and the City Administrator. In accordance with the Management Plan, the Developer shall submit:

a. On or before the first day of each fiscal year, an estimated annual budget for management of the Property (the "Annual Project Budget"). The Annual Project Budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amount required for insurance and all other expenses incident to the operation of the Project; and shall show the expected revenues to pay such expenses, including annual debt service requirements and reserve fund deposits and balances. The Annual Project Budget, including any amendments proposed by the Developer, shall be subject to the approval of the City Administrator.

b. Sixty (60) days following the last day of each quarter of the fiscal year, beginning on the date of first occupancy, a quarterly report for the management of the Property (the "Quarterly Report") during such quarter. The Quarterly Report shall include a profit and loss statement, budget to date figures, and occupancy report. The City Administrator in his sole discretion may waive the requirement of the Quarterly Report for one or more quarterly reporting periods. However, such waiver shall not operate to waive any future right of the City to require a subsequent Quarterly Report. If at any time the City determines that the Property is not being managed or maintained in accordance with the approved Management Plan, Developer shall change its management personnel or the practices complained of, upon receipt of written notice from the City.

12. The covenants established in this Agreement and any amendments hereto approved by the City and the Developer shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City, its successors and assigns, and the City of Inglewood. The requirements of this Agreement shall remain in effect for the longest feasible time, but not less than fifty-six (56) years from the issuance of the permanent certificate of occupancy for the Project (the "Term").

13. (a) The City and the Inglewood Housing Authority are deemed beneficiaries of the terms and provisions of this Agreement and the covenants herein, both for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. The City shall have the right if the covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants are entitled.

(b) In addition, this Agreement shall be deemed a contract enforceable by, and shall inure to the benefit of, the parties identified in paragraph (7) of subdivision (f) of California Health & Safety Code section 33334.3, as amended from time to time, as third-party beneficiaries hereof.

14. The covenants and agreements contained herein shall run with the land and not be personal obligations of the Developer. Upon the sale, conveyance or other transfer of the Property approved by the City or otherwise permitted under the Affordable Housing Agreement, the HOME Note and HOME Deed of Trust (a "Transfer") and the assumption of the obligations

hereunder by a transferee, the Developer's liability for performance shall be terminated as to any obligation to be performed hereunder after the date of such Transfer.

15. This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

IN WITNESS WHEREOF, the City and the Developer have executed this Agreement.

City

THE CITY OF INGLEWOOD

By: _____
James T. Butts, Jr., Mayor

ATTEST:

By: _____
Yvonne Horton, City Clerk

APPROVED AS TO FORM AND LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal. P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

Owner

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By: _____
Robin Hughes
Chief Executive Officer

Exhibit A

LEGAL DESCRIPTION

That certain real property located in the City of Inglewood, County of Los Angele, State of California, more particularly described as follows:

PARCEL 1: (APN: 4021-015-018)
THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)
LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)
LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

End of Legal Description

State of California)

County of Los Angeles)

On 2/27/12 before me, Tunisia Johnson, a Notary Public, personally appeared James T. Butts, Jr., who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 Tunisia Johnson (Seal)

TUNISIA JOHNSON
Commission # 1815748
Notary Public - California
Los Angeles County
My Comm. Expires Oct 3, 2012

State of California)

County of Los Angeles)

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Los Angeles

On 2/22/2012 (Date) before me, Elma Flury Notary Public (Here Insert Name and Title of the Officer)

personally appeared Robin Hughes (Name(s) of Signer(s))

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

ELMA FLURY
Commission # 1931895
Notary Public - California
Los Angeles County
My Comm. Expires Apr 8, 2015

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: Elma Flury (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document - Grevillea

Title or Type of Document: Agreements Containing Covenants

Document Date: 1/23/2012 Number of Pages: 10

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name:	Signer's Name:
☐ Corporate Officer — Title(s):	☐ Corporate Officer — Title(s):
☐ Individual	☐ Individual
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact	☐ Attorney in Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☐ Other:	☐ Other:
Signer Is Representing:	Signer Is Representing:
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

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item #5907

525604-4A2

ORIGINAL

COPY of Document Recorded
20120345006 3/6/12
Has not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR - RECORDER

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The City of Inglewood
Economic Development Department
One Manchester Avenue, Fourth Floor
Inglewood, California 90301
Attn: City Administrator

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

APN: 4021-015-018;
4021-015-019;
4021-015-020 and
4021-015-021

LMIHF REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS
(Low and Moderate Income Housing Fund - Grevillea Family Apartments)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into as of January 23, 2012, by and between the City of Inglewood, a municipal corporation (the "City") and Grevillea Housing, L.P., a California limited partnership (the "Owner").

RECITALS

1. These Recitals refer to and utilize certain capitalized terms which are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use of capitalized terms in these Recitals.

2. The City Council of the City of Inglewood adopted the redevelopment plan (the "Redevelopment Plan") for the Amended and Restated Merged Inglewood Redevelopment Project on July 30, 1996 (the "Project Area") by Ordinance Nos. 96-11, 96-12, 96-13, 96-14, 96-15, and 96-16, as subsequently amended.

3. The intent of the Redevelopment Plan is, in part, to attain the purposes of the California Community Redevelopment Law by: (1) elimination of areas suffering from economic dislocation and disuse; (2) replanning, redesign and/or redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise

SA

acting alone without public participation and assistance; (3) protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means; and (4) installation of new or replacement of existing public improvements, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities. The Redevelopment Plan governs the development and use of all real property located within the redevelopment project area more particularly described in the Redevelopment Plan.

4. The Inglewood Redevelopment Agency ("Agency") is responsible for implementation of the Redevelopment Plan.

5. The Agency and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement") pursuant to which the City has agreed to aid and cooperate with the Agency in the planning, undertaking, implementation, construction and operation of redevelopment projects in the Project Area.

6. Pursuant to the Cooperation Agreement, among other things, the Agency has transferred to the City all of the Agency's rights to Agency funds and tax increment revenues from the Project Area (the "Project Area Funds"), and the City has accepted the Project Area Funds for purposes of aiding and cooperating with the Agency in the redevelopment of various properties located within the Project Area in accordance with the Redevelopment Plan.

7. Pursuant to that certain Property Acquisition Agreement and Joint Escrow Instructions between the Developer as seller and City as buyer dated December 22, 2011 (the "Acquisition Contract"), the City acquired from Developer fee title to certain real property constituting a development site of approximately 1.14 acres in the Project Area, bordered generally by Nutwood Avenue to the north, Kelso Street to the south, La Brea to the east and Grevillea to the west, specifically identified as 100 East Nutwood Avenue, and more particularly described in the Legal Description attached hereto as Exhibit "A" (the "Property").

8. Concurrently with the execution of this Agreement, the City and Developer are entering into an Affordable Housing Agreement (the "AHA") which sets out the terms and conditions of the development of the affordable housing project.

9. The Developer has submitted a proposal for a single phase development of the approximately 49,600 square feet of land area comprising of the Property with sixty-two (62) units of affordable housing (the "Affordable Units") along with required parking (the "Development").

10. The Development along with all requirements of the AHA concerning the Property in the Project Area will further the goals of alleviating blighting conditions and stimulating economic development in the Project Area.

11. The construction, development, and operation of the Development will be in conformance with the United States Department of Housing and Urban Development ("HUD"), HOME Regulations, 24 CFR Part 92 ("HOME Program").

12. This Agreement is made pursuant to that certain LMIHF Loan Agreement providing for a loan by the City of certain low and moderate income housing funds dated January 23, 2012 (the "Loan Agreement"). The funds loaned to Owner pursuant to the Loan Agreement consist of Agency Low and Moderate Income Housing Funds. Pursuant to Health and Safety Code section 33334.3 and the Cooperation Agreement, the City must restrict developments assisted with funds from the Agency's Low and Moderate Income Housing Fund, so that the developments remain affordable to very low, low and moderate income households for the longest feasible time. This Agreement is intended to implement this requirement.

13. The Developer intends to provide long-term affordability covenants on the Affordable Units in the Development.

14. Expenditure of monies deposited in the Low and Moderate Income Housing Fund to fund the construction and related costs of the Development will serve the purposes of Health and Safety Code section 33334.2, as well as the goals and objectives of the Redevelopment Plan for the Project Area, by improving and increasing the community's supply of affordable housing.

15. The City has agreed to loan funds to Owner on the condition that the Development be maintained and operated in accordance with Health and Safety Code sections 33334.2 *et seq.*, 33413(a) and 33413(b)(2)(A)(ii) and in accordance with additional restrictions concerning affordability, operation, and maintenance of the Development, as applicable.

16. Through this Agreement and accompanying documents the City is imposing occupancy and affordability restrictions on the Development in order to utilize the sixty-one (61) units in partial satisfaction of its adequate sites inventory pursuant to Government Code Section 65583.1(c).

17. Owner intends to impose occupancy and affordability restrictions on the Development in order to meet low and moderate income housing production requirements applicable to the Project Area pursuant to Health and Safety Code Section 33413(b)(2)(A)(ii).

18. In consideration of receipt of the Loan at an interest rate substantially below the market rate, Owner has further agreed to observe all the terms and conditions set forth below.

19. In order to ensure that the entire Development will be used and operated in accordance with these conditions and restrictions, the City and Owner wish to enter into this Agreement.

THEREFORE, the City and Owner hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. When used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

(a) "Actual Household Size" shall mean the actual number of persons in the applicable household.

(b) "Adjusted Income" shall mean the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914 or pursuant to a successor State housing program that utilizes a reasonably similar method of calculation of adjusted income. In the event that no such program exists, the City shall provide the Owner with a reasonably similar method of calculation of adjusted income as provided in said Section 6914.

(c) "Agency" shall mean the Inglewood Redevelopment Agency, a public body, corporate and politic.

(d) "Agreement" shall mean this Regulatory Agreement and Declaration of Restrictive Covenants.

(e) "Assumed Household Size" shall have the meaning set forth in Section 2.3(d). The definition is utilized to calculate affordable rent and is not intended to be a limit on the number of persons occupying a unit.

(f) "City" shall mean the City of Inglewood, a municipal corporation, which body carries out the Agency's obligations under the Cooperation Agreement.

(g) "Deed of Trust" shall mean the LMIHF Deed of Trust in favor of the City on the Property which secures repayment of the Loan and performance of this Agreement.

(h) "Development" shall mean the Property and the Improvements.

(i) "Income Report" has the meaning set forth in Section 2.1.

(j) "Loan" shall mean all funds loaned to Owner pursuant to the Loan Agreement.

(k) "Loan Agreement" shall mean the LMIHF Loan Agreement entered into by and between the City and Owner, dated of even date herewith.

(l) "Lower Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for lower income households, adjusted for Actual

Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by the State of California Department of Housing and Community Development.

(m) "Lower Income Rent" shall mean the rent permitted to be charged for a Lower Income Unit pursuant to Section 2.3(b) below.

(n) "Lower Income Units" shall mean the Units, which, pursuant to Section 2.2(b) below, are required to be occupied by Lower Income Households in conformance with the rent restrictions of Health & Safety Code section 50053(b)(3).

(o) "Median Income" shall mean the median gross yearly income adjusted for Actual Household Size (to qualify residents) or Assumed Household Size (to calculate rents), as applicable, in the County of Los Angeles, California, as published from time to time by the State of California Department of Housing and Community Development. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide the Owner with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by the State of California Department of Housing and Community Development.

(p) "Moderate Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for moderate income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by the State of California Department of Housing and Community Development.

(q) "Moderate Income Rent" shall mean the rent permitted to be charged for a Moderate Income Unit pursuant to Section 2.3(c) below.

(r) "Moderate Income Units" shall mean the Units, which, pursuant to Section 2.2(c) below, are required to be occupied by Moderate Income Households in conformance with the rent restrictions of Health & Safety Code section 50053(b)(4).

(s) "Note" shall mean the LMIHF Promissory Note from Owner to the City evidencing all or any part of the Loan.

(t) "Owner" shall mean Grevillea Housing, L.P., a California limited partnership, and its successors and assigns to the Development.

(u) "Property" shall mean the real property described in Exhibit A attached hereto and incorporated herein.

(v) "Rent" shall mean the total of monthly payments by the residents of a Unit (other than the manager's Unit) for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Owner which are required of all residents, other than security deposits; the cost of an adequate level of service for utilities paid by the resident, including garbage collection, sewer,

water, electricity, gas and other heating, cooking and refrigeration fuel, but not cable or telephone service; any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Owner, and paid by the Resident.

(w) "Resident" shall mean a household occupying a Unit.

(x) "Term" shall mean the term of this Agreement, which shall commence on the date of this Agreement and shall expire on the fifty-fifth (55th) anniversary of the date of issuance of a permanent certificate of occupancy by the Building Department of the City.

(y) "Units" shall mean the sixty-two (62) rental units to be developed by the Owner on the Property, including the Manager's Unit as defined in Section 1.1 of the Loan Agreement.

(z) "Very Low Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for Very Low Income Households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by the State of California Department of Housing and Community Development.

(aa) "Very Low Income Rent" shall mean the rent permitted to be charged for a Very Low Income Unit pursuant to Section 2.3(a) below.

(bb) "Very Low Income Units" shall mean the Units, which, pursuant to Section 2.2(a) below, are required to be occupied by Very Low Income Households in conformance with the rent restrictions of Health & Safety Code section 50053(b)(2).

ARTICLE 2
AFFORDABILITY COVENANTS

Section 2.1 Duty to Assess Resident Incomes and Rents. Promptly following Owner's development of the Property and on an ongoing basis, Owner shall diligently take reasonable steps to obtain income and rent certifications from all residents of the Development, and Owner verified resident incomes in compliance with the requirements of Section 3.1 below. Owner shall provide the City with a written report of resident incomes and rents within sixty (60) days of occupancy of the Development (the "Income Report").

Section 2.2 Occupancy Requirements.

(a) Very Low Income Units. The Development shall contain seven (7) Units, including two (2) two-bedroom Units and five (5) three-bedroom Units, which shall be rented exclusively to and occupied by or, if vacant, available for occupancy by Very Low Income Households in conformance with the rent requirements of Health & Safety Code section 50053(b)(2).

(b) Lower Income Units. The Development shall contain forty six (46) Units, including thirty (30) two-bedroom Units and sixteen (16) three-bedroom Units, which shall be rented exclusively to and occupied by or, if vacant, available for occupancy by Lower Income

Households in conformance with the rent requirements of Health & Safety Code section 50053(b)(3).

(c) Moderate Income Units. The Development shall contain eight (8) Units, including three (3) two-bedroom Units and five (5) three-bedroom Units, which shall be rented exclusively to and occupied by or, if vacant, available for occupancy by Moderate Income Households in conformance with the rent requirements of Health & Safety Code section 50053(b)(4).

(d) Manager's Unit. One (1) three-bedroom unit shall be available for designation as the manager's unit.

Section 2.3 Allowable Rent.

(a) Very Low Income Rent. Subject to Section 2.4(a) below, the Rent charged to Residents of the Very Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of Median Income, adjusted for Assumed Household Size.

(b) Lower Income Rent. Subject to Section 2.4(a) below, the Rent charged to Residents of the Lower Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of Median Income, adjusted for Assumed Household Size.

(c) Moderate Income Rent. Subject to Section 2.4(a) below, the Rent charged to Residents of the Moderate Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of one hundred ten percent (110%) of Median Income, adjusted for Assumed Household Size.

(d) In calculating the allowable Rent for the Units, the following Assumed Household Sizes shall be utilized, provided that the Development receives an allocation of Low Income Housing Tax Credits, otherwise Assumed Household Size shall be determined pursuant to the terms of Health and Safety Code Section 50052.5(h):

Number of Bedrooms	Assumed Household Size
Two	3
Three	4

(d) Contingent on the receipt of Low Income Housing Tax Credits, Owner understands and agrees, notwithstanding the subsection immediately proceeding this subsection, Rent shall be the lowest of (i) regulations of the United States Department of Housing and Urban Development in 24 CFR Part 92 ("HOME Regulations"); (ii) the regulations under the Tax Credit Allocation Committee ("TCAC Regulations"); or (iii) the Community Redevelopment Law ("CRL").

(e) No later than November 1 of each calendar year, the City shall provide the Owner with a schedule of permissible maximum Very Low Income Rents, Lower Income Rents and

Moderate Income Rents for the succeeding year. Under no circumstance may Owner raise rents above the permissible maximum rents as allowed under the annual rent schedule provided by the City.

Section 2.4 Increased Income of Residents.

(a) Income Increases.

(i) Very Low Income Household to Lower Income Household. If, upon recertification of a Resident's income, the Owner determines that a former Very Low Income Household's Adjusted Income has increased and exceeds the qualifying income for a Very Low Income Household set forth in Section 1.1 above, but does not exceed the qualifying limit for a Lower Income Household as set forth in Section 1.1 above, then, upon expiration of the Resident's lease:

(1) Such Resident's Unit may be considered a Lower Income Unit;

(2) Such Resident's Rent may be increased to a Lower Income Rent, upon sixty (60) days written notice to the Resident; and

(3) The Owner shall rent the next available Unit to a Very Low Income Household at a Very Low Income Rent.

(ii) Lower Income Household to Moderate Income Household. If, upon recertification of a Resident's income, the Owner determines that a former Lower Income Household's Adjusted Income has increased and exceeds the qualifying income for a Lower Income Household set forth in Section 1.1 above, but does not exceed the qualifying limit for a Moderate Income Household as set forth in Section 1.1 above, then, upon expiration of the Resident's lease:

(1) Such Resident's Unit may be considered a Moderate Income Unit;

(2) Such Resident's Rent may be increased to a Moderate Income Rent, upon sixty (60) days written notice to the Resident; and

(3) The Owner shall rent the next available Unit to a Lower Income Household at a Lower Income Rent.

(b) Non-Qualifying Household. If, upon recertification of a Resident's income, the Owner determines that a former Very Low Income Household, Lower Income Household, or Moderate Income Household Adjusted Income has increased and exceeds the qualifying income for Moderate Income Households set forth in Section 1.1 (above one hundred twenty percent (120%) of area median income) then upon expiration of the Resident's Lease:

(1) Owner shall send such resident a written notice of termination of tenancy informing Resident that Resident must vacate the unit. Owner shall allow Resident at least one hundred twenty (120) days from the date the Resident's lease terminates and move out. Such

period may be extended for family circumstances at Owner's discretion and upon approval by the City; and

(2) The Owner shall rent the next available Unit to a Very Low Income Household, a Lower Income Household, or a Moderate Income Household, as applicable, at Rent not exceeding the maximum Rent specified in Section 2.3(a), 2.3(b) or 2.3(c), as applicable, to comply with the requirements of Section 2.2 and Section 2.3 above.

(c) Termination of Occupancy. Except if the character of a Unit as a Very Low Income Unit, Lower Income Unit or Moderate Income Unit has been redetermined pursuant to this Section 2.4 due to the increased income of a Resident, upon termination of occupancy of a Unit by a Resident, such Unit shall be deemed to be continuously occupied by a household of the same income level (e.g., Very Low Income Household, Lower Income Household, or Moderate Income Household as the initial income level of the vacating Resident, until such Unit is reoccupied, at which time the income character of the Unit (e.g., Very Low Income Unit, Lower Income Unit, or Moderate Income Unit) shall be redetermined. If the character of the Unit as a Very Low Income Unit, a Lower Income Unit, or a Moderate Income Unit has been redetermined pursuant to this Section 2.4, upon termination of occupancy of a Unit by a Resident, such Unit shall be deemed to be continuously occupied by a household of the same income level (e.g., Very Low Income Household, Lower Income Household, or Moderate Income Household) as the income level of the vacating Resident, until such Unit is reoccupied, at which time the income character of the Unit (e.g., Very Low Income Unit, Lower Income Unit, or Moderate Income Unit) shall be redetermined.

Section 2.5 Resident Selection.

(a) Before leasing any vacant Units in the Development, the Owner must provide the City for its review and approval the Owner's written marketing and resident selection plan.

(b) The Owner shall not discriminate against any applicants for tenancy on the basis of source of income or rent payment (for example, without limitation, Temporary Assistance for Needy Families (TANF) or Section 8), and Owner shall consider a prospective Resident's previous rent history of at least one (1) year, or such other time period the Owner deems reasonable, as evidence of the prospective Resident's ability to pay the applicable Rent. The ability to pay shall be demonstrated if the prospective Resident can document that the prospective Resident's gross income is at least two (2) times the prospective rent. The Owner, in the reasonable exercise of its discretion, may waive the requirement that the prospective Resident's gross income equal at least two (2) times the prospective rent, and admit prospective Residents with lower gross incomes.

Section 2.6 Lease Provisions. Owner shall include in leases for all Units provisions which authorize Owner to immediately terminate the tenancy of any household one or more of whose members misrepresented any fact material to the household's qualification as a Very Low Income Household or Lower Income Household, as applicable. Each lease or rental agreement shall also provide that the household is subject to annual certification in accordance with Section 3.1 below, and that, if the household's income increases above the applicable limits for a Very

Low Income Household or Lower Income Household, as applicable, such household's Rent may be subject to increase, and if the household's income increases above one hundred twenty percent (120%) of Median Income, the household's tenancy may be terminated.

Section 2.7 Condominium Conversion. The Owner shall not convert Development units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Property during the Term of this Agreement.

ARTICLE 3
INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification. With respect to new Residents, the Owner will obtain, and complete, as a condition to initial occupancy and with respect to new Residents and Existing Residents, maintain on file annually thereafter, income certifications from each Resident renting any of the Units. The Owner shall make a good faith effort to verify that the income provided by an applicant or occupying household in an income certification is accurate by taking two or more of the following steps as a part of the verification process: (1) obtain a minimum of the three (3) most current pay stubs for all adults age eighteen (18) or older; (2) obtain an income tax return for the most recent tax year; (3) conduct a credit agency or similar search; (4) obtain the three (3) most current savings and checking account bank statements;(5) obtain an income verification form from the applicant's current employer; (6) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (7) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Copies of Resident income certifications shall be available to the City upon request.

Section 3.2 Annual Report to City. Owner shall submit to the City: (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by the City, a statistical report, including income and rent data for all Units, an assessment of compliance with the Resident Services Plan (including an assessment of the Resident Services Plan outcomes), an assessment of compliance with the approved Management Plan, an evaluation of the Management Agent, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the City.

Section 3.3 Additional Information. Owner shall provide any additional information reasonably requested by the City. The City shall have the right to examine and make copies of all books, records or other documents of Owner which pertain to the Development.

Section 3.4 Records. Owner shall keep and maintain on the Property, or elsewhere with the City's written consent, complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the City to inspect records, including records pertaining to income and household size of Residents, Rent charged Residents and affirmative marketing requirements. All Resident lists, applications and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. The

Owner shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least five (5) years.

Section 3.5 Annual Operating Budget. The Owner, at least sixty (60) days prior to the end of each of the Owner's fiscal year, shall furnish the City an Annual Operating Budget. Upon receipt by the City of the proposed Annual Operating Budget, the City shall promptly review the same and approve or disapprove it within ten (10) working days. If the Annual Operating Budget is not approved by the City, the City shall set forth in writing and notify the Owner of the City's reasons for withholding such approval. The Owner shall thereafter submit a revised Annual Operating Budget for City approval, which approval shall be granted or denied within ten (10) working days in accordance with the procedures set forth above.

Section 3.6 Approval of Use of Reserve Funds. Owner agrees to create and maintain the reserves required by the Approved Financing (as defined in the Loan Agreement) and the reserves in the amounts approved by the City as part of the Financing Plan submitted by the Developer pursuant to Section 3.11 of the Loan Agreement. Prior to the use of funds from the reserves, Owner must submit a written request to withdraw funds from the reserve account. The written request shall specify the amount requested and state how the funds will be used. The City shall approve such request within thirty (30) days of receipt of the written request for use of reserves; such request shall not be unreasonably withheld. If the City fails to approve a request within the thirty (30) days, such request shall be deemed approved.

Section 3.7 Resident Services Plan and Resident Services Budget.

(a) The City shall approve as part of the Financing Plan submitted by the Developer pursuant to Section 3.11 of the Loan Agreement a resident services budget to enable Owner to hire a resident service coordinator and resident services provider (the "Resident Services Budget"). Not less than sixty (60) days prior to the end of Owner's fiscal year, Owner shall furnish to the City a draft Resident Services Plan and Resident Services Budget. Upon receipt by the City of the proposed Resident Services Plan and Resident Services Budget, the City shall promptly review the same and approve or disapprove it within ten (10) working days. If the Resident Services Plan and/or Resident Services Budget are not approved by the City, the City shall set forth in writing and notify the Owner of the City's reasons for withholding such approval, which may include a request by the City for a change in the nature or scope of resident services or a change in service provider. The Owner shall thereafter submit a revised Resident Services Plan and/or Resident Services Budget for City approval, which approval shall be granted or denied within ten (10) working days in accordance with procedures set forth above.

(b) Prior to the disbursement of the Completion Component as defined in Section 2.1(d) of the Loan Agreement, Owner shall hire and employ an on-site resident service coordinator and contract with a resident services provider capable of implementing the approved Resident Services Plan. Owner shall submit for the City's approval the identity of any proposed resident services coordinator and resident services provider. The Owner shall also submit such additional information about the background and experience of the proposed resident services coordinator and resident services provider as is reasonably necessary for the City to determine whether the proposed resident services coordinator and resident services provider meets the

standard for a qualified resident services coordinator and resident services provider. If the proposed resident services coordinator and resident services provider, as applicable, meets the standard for a qualified resident services coordinator and resident services provider, the City shall approve the proposed resident services coordinator and resident services provider by notifying the Owner in writing. If the proposed resident services coordinator or resident services provider, as applicable, is disapproved by the City, the City shall state with reasonable specificity the basis for disapproval.

(c) If, as a result of a periodic review, the City determines, in its reasonable judgment, that the Residents of the Development are not receiving material services and/or there is a failure to achieve outcomes identified in the approved Resident Services Plan, the City shall deliver notice to Owner of its intention to, in addition to any other remedies available to the City hereunder, require the Owner to: (1) replace the resident service coordinator or resident services provider; or (2) eliminate the resident services line item as an Annual Operating Expense under Section 2.13(f)(1) of the Loan Agreement; or (3) meet in good faith to consider methods for improving the resident services being offered to Residents of the Development; (4) deliver notice to Owner requiring Owner to cause the replacement of the resident services coordinator or resident services provider with a resident services coordinator or resident services provider selected by the City.

(d) If, after the above procedure, the City requires in writing the replacement of the resident services coordinator or the resident services provider, Owner shall promptly dismiss the then resident services coordinator or resident services provider, as applicable, and shall appoint as the resident services coordinator or resident services provider, as applicable, a person or entity capable of meeting the standards for a resident services coordinator or resident services provider, as applicable, under the Resident Services Plan and approved by the City at the City's reasonable discretion.

(e) Any contract for the resident services coordinator or resident services provider, as applicable, for the Development entered into by Owner shall provide that the contract can be terminated as set forth above. Failure to remove the resident services coordinator or the resident services provider, as applicable, in accordance with the provisions of this Section 3.7 shall constitute default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.4 below.

Section 3.8 On-site Inspection. The City shall have the right to perform an on-site inspection of the Development at least one (1) time per year upon forty-eight hours (48) prior notice. The Owner agrees to cooperate in such inspection.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

Section 4.1 Residential Use. The Development shall be operated only for residential use as permanent multifamily rental housing.

Section 4.2 Taxes and Assessments. Owner shall pay all real and personal property taxes, assessments, if any, and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any line or charge from attaching to the Property; provided, however, that Owner shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Owner exercises its right to contest any tax, assessment, or charge against it, Owner, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 4.3 Municipal Services Fee. Reserved.

Section 4.4 Nondiscrimination.

(a) All of the Units shall be available for occupancy on a continuous basis to members of the general public who are income eligible. Developer shall not give preference to any particular class or group of persons in renting the Units, except to the extent that the Units are required to be leased to Very Low Income Households or Lower Income Households, or pursuant to Section 4.6 below.

(b) There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(c) Notwithstanding the preceding paragraph, with respect to familial status, the preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the preceding paragraph.

(d) The provisions of this Section 4.4 shall run with the land and survive termination of this Agreement.

Section 4.5 Section 8 Certificate Holders. The Owner will accept as residents, on the same basis as all other prospective residents, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all

other prospective residents, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Residents.

Section 4.6 Preference to City, Agency and Inglewood Housing Authority Displacees. ~~Owner shall give a preference in the rental of any Units to eligible households displaced by~~ activity of the Agency, City or the Inglewood Housing Authority, as provided in relevant part in Health and Safety Code Section 33411.3. The preferences stated in this Section 4.6 apply to the rentals of Units throughout the Term.

ARTICLE 5
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities. The Owner is responsible for all management functions with respect to the Development, including without limitation the selection of residents, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City shall have no responsibility over management of the Development. The Owner shall retain a professional property management company, approved by the City in its reasonable discretion, to perform its management duties hereunder. A resident manager shall also be required. Prior to the occupancy of the Development, Owner shall submit a proposed management plan to the City for approval by the City. The City shall approve or disapprove (with written explanation for disapproval) of the proposed management plan by notifying the Owner in writing within sixty (60) days of the date of submission to the City. Owner proposes to be the professional property management company and will provide such documentation to the City for consideration.

Section 5.2 Management Agent; Periodic Reports. The Development shall at all times be managed by an experienced management agent reasonably acceptable to the City, with demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing (as approved, the "Management Agent"). The Owner shall submit for the City's approval the identity of any proposed Management Agent and on-site resident manager. The Owner shall also submit such additional information about the background, experience and financial condition of any proposed Management Agent and on-site resident manager as is reasonably necessary for the City to determine whether the proposed Management Agent or on-site resident manager meets the standard for a qualified Management Agent or on-site resident manager set forth above. If the proposed Management Agent or on-site resident manager meets the standard for a qualified Management Agent or on-site resident manager set forth above, the City shall approve the proposed Management Agent or on-site resident manager by notifying the Owner in writing. Unless the proposed Management Agent or on-site resident manager is disapproved by the City within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapproval, it shall be deemed approved.

Section 5.3 Performance Review. In addition to the reporting requirements under Section 3.2 above, the City reserves the right to conduct an annual (or more frequently, if deemed reasonably necessary by the City) review of the management practices and financial

status of the Development. The purpose of each periodic review will be to enable the City to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. The Owner shall cooperate with the City in such reviews.

~~Section 5.4 Replacement of Management Agent or On-Site Resident Manager.~~

(a) If, as a result of a periodic review, the City determines, in its reasonable judgment, that the Development is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the City shall deliver notice to Owner of its intention to cause replacement of the Management Agent or on-site resident manager, including the reasons therefor. Within fifteen (15) days of receipt by Owner of such written notice, City staff and the Developer shall meet in good faith to consider methods for improving the financial and operating status of the Development. If, after a reasonable period as determined by the City (not to exceed sixty (60) days after the meeting between the City and the Developer), the City determines that the Owner is not operating and managing the Development in accordance with the material requirements and standards of this Agreement, the City may require replacement of the Management Agent or on-site resident manager.

(b) If, after the above procedure, the City requires in writing the replacement of the Management Agent or on-site resident manager, Owner shall promptly dismiss the then Management Agent or on-site resident manager within thirty (30) days notice, and shall appoint as the Management Agent or on-site resident manager a person or entity meeting the standards for a Management Agent or on-site resident manager set forth in Section 5.2 above and approved by the City pursuant to Section 5.2 above.

(c) Any contract for the operation or management of the Development entered into by Owner shall provide that the contract can be terminated as set forth above. Failure to remove the Management Agent or on-site resident manager in accordance with the provisions of this Section shall constitute default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.4 below.

Section 5.5 Approval of Management Policies. The Owner shall submit its written management policies with respect to the Development to the City for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

Section 5.6 Property Maintenance.

(a) The Owner agrees, for the entire Term of this Agreement, to maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in accordance with the following maintenance conditions:

(1) Landscaping. The Owner agrees to have landscape maintenance performed at least every other week, including replacement of dead or diseased plants with comparable plants. Owner agrees to adequately water the landscaping on the Property in compliance with City and Water District policies. No improperly maintained landscaping on the Property shall be visible from public streets and/or rights of way.

(2) Yard Area. No yard areas on the Property shall be left unmaintained, including:

(i) broken or discarded furniture, appliances and other, household equipment stored in yard areas for a period exceeding one (1) week;

(ii) packing boxes, lumber trash, dirt and other debris in areas visible from public property or neighboring properties; and

(iii) vehicles parked or stored in other than approved parking areas.

(3) Building. No buildings located on the Property may be left in an unmaintained condition so that any of the following exist:

(i) violations of state law, uniform codes, or City ordinances;

(ii) conditions that constitute an unsightly appearance that detracts from the aesthetics or value of the Property or constitutes a private or public nuisance;

(iii) broken windows;

(iv) graffiti (must be removed within seventy-two (72) hours); and

(v) conditions constituting hazards and/or inviting trespassers, or malicious mischief.

(4) Sidewalks. The Owner shall maintain, repair, and replace as necessary all private sidewalks adjacent to the Development.

(5) Private Driveway. The Owner shall maintain, repair, and replace as necessary all areas of the private driveway adjacent to the Development in accordance with the reciprocal easement agreement entered into with the adjacent property owners by the Owner, including, but not limited to the alley and adjacent park.

(b) The City places prime importance on quality maintenance to protect its investment and to ensure that all City and City-assisted affordable housing projects within the City are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Development will be acceptable to the City assuming the Owner agrees to provide all necessary improvements to assure the Development is maintained in good condition. The Owner shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

(c) In the event that the Owner breaches any of the covenants contained in this Section 5.6 and such default continues for a period of seven (7) days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building improvements, then the City, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the City shall be permitted (but is not required) to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a ten percent (10%) administrative charge, which amount shall be promptly paid by the Owner to the City upon demand.

Section 5.7 Safety Conditions.

(a) The Owner acknowledges that the City places a prime importance on the security of City assisted projects and the safety of the residents and surrounding community. The Owner agrees to implement and maintain throughout the Term the following security measures in the Development:

(1) to the extent feasible employ defensible space design principles and crime prevention measures in the operation of the Development including but not limited to maintaining adequate lighting in parking areas and pathways;

(2) use its best efforts to work with the Inglewood Police Department to implement and operate an effective neighborhood watch program and participate in the Crime Free Multi-Housing Program; and

(3) provide added security including dead-bolt locks for every entry door, and where entry doors are damaged, replace them with solid-core doors.

(b) The City shall have the right to enter on the Property and/or contact the Inglewood Police Department if it becomes aware of or is notified of any conditions that pose a danger to the peace, health, welfare or safety of the Residents and/or the surrounding community, and to perform or cause to be performed such acts as are necessary to correct the condition.

ARTICLE 6
MISCELLANEOUS

Section 6.1 Term. The provisions of this Agreement shall apply to the Property for the entire Term even if the entire Loan is paid in full prior to the end of the Term; provided, however, that the provisions of Sections 4.4 and 5.6 of this Agreement shall run with the Property and shall remain in effect in perpetuity. This Agreement shall bind any successor, heir or assign of Owner, whether a change in interest occurs voluntarily or involuntarily, by operation

of law or otherwise, except as expressly released by the City. The City makes the Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

Section 6.2 Compliance with Loan Agreement and Program Requirements. The Owner's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Agreement; (ii) all requirements imposed on projects assisted with Redevelopment Low and Moderate Income Housing Fund monies under California Health and Safety Code Section 33334.2 *et seq*.

Section 6.3 Covenants to Run With the Land. The City and Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

Section 6.4 Enforcement by the City. If Owner fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the City has notified the Owner in writing of the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure, the City shall have the right to enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Loan. The City may declare a default under the Note, accelerate the indebtedness evidenced by the Note, and proceed with foreclosure under the Deed of Trust.

(b) Action to Compel Performance or for Damages. The City may bring an action at law or in equity to compel Owner's performance of its obligations under this Agreement, and/or for damages.

(c) Remedies Provided Under Loan Agreement. The City may exercise any other remedy provided under the Loan Agreement.

Section 6.5 Rights of Third Parties to Enforce Covenants. Notwithstanding any other provisions of law, all covenants and restrictions contained herein which implement Health and Safety Code Sections 33334.3 and/or 33413(b)(4), or successor provisions, shall run with the land and shall be enforceable by the City, the City of Inglewood, and any of the parties listed in Health and Safety Code Section 33334.3(f)(7), so long as such provision or successor provision remains in effect.

Section 6.6 Listing of Property in Database. Owner hereby acknowledges and agrees that Health and Safety Code Section 33418(c) requires that the Property be listed in a database that shall be made available to the public on the internet and which will include the street

address, assessor's parcel number, and other information about the Property. The Owner must disclose this requirement to all Residents and prospective Residents.

Section 6.7 Attorneys Fees and Costs. In any action brought to enforce this Agreement, the prevailing party shall be entitled to all costs and expenses of suit, including attorneys' fees. This Section 6.7 shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

Section 6.8 Recording and Filing. The City and Owner shall cause this Agreement, and all amendments and supplements to it, to be recorded against the Property in the Official Records of the County of Los Angeles.

Section 6.9 Governing Law. This Agreement shall be governed by the laws of the State of California.

Section 6.10 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California.

Section 6.11 Notice. All notices given or certificates delivered under this Agreement shall be in writing and be deemed received on the delivery or refusal date shown on the delivery receipt, if: (i) personally delivered by a commercial service which furnishes signed receipts of delivery or (ii) mailed by certified mail, return receipt requested, postage prepaid, addressed as shown below. In addition to the delivery and mailing, if a facsimile number is provided, a facsimile shall also be transmitted. Any of the parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or communications shall be sent.

To the City:

CITY OF INGLEWOOD c/o City Manager's Office
Attn: Mr. Artie Fields, City Manager
One Manchester Boulevard, Ninth Floor
Inglewood, California 90301

With a copy to:

Office of the City Attorney
One Manchester Boulevard, Eighth Floor
Inglewood, California 90301
Attn: Cal P. Saunders, Esq.

With a copy to:

Kane, Ballmer & Berkman
515 South Figueroa Street, Suite 1850
Los Angeles, California 90071
Attn: Royce Jones, Esq. & Gustavo Lamanna, Esq.
Facsimile No.: (213) 625-0931

To the Owner:	Grevillea Housing, LP c/o Abode Communities 701 East Third Street, Suite 400 Los Angeles, California 90013 Attn: Ms. Robin Hughes, Chief Executive Officer Facsimile No.: (213) 225-2709
With a copy to:	Bocarsly Emden Cowan Esmail & Arndt LLP 633 West Fifth Street, 70th Floor Los Angeles, California 90071 Attn: Lance Bocarsly, Esq. & Nicole Deddens, Esq. Facsimile No.: (213) 239-0410

Section 6.12 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby

Section 6.13 Reserved.

Section 6.14 Counterparts. This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

[THE REMAINDER OF THIS PAGE IS BLANK]

IN WITNESS WHEREOF, the City and Owner have executed this Agreement by duly authorized representatives, all on the date first written above.

"City"
CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

Attest:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO FORM AND LEGALITY:
CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

"Owner"

GREVILLEA HOUSING, LP,
a California limited partnership

By: GREVILLEA HOUSING GP LLC,
a California limited liability company
Its General Partner

By: ABODE COMMUNITIES,
a California nonprofit public
benefit corporation,
Its Sole Member

By: _____
Robin Hughes
Chief Executive Officer

EXHIBIT A
PROPERTY DESCRIPTION
Legal Description

Certain real property located in the City of Inglewood, County of Los Angele, State of California, ~~more particularly described as follows:~~

PARCEL 1: (APN: 4021-015-018)

THAT PORTION OF GREVILLEA AVENUE, 200 FEET WIDE, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FIFIELD AND GEPHART TRACT, RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF NUTWOOD STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT, WITH THE EASTERLY LINE OF SAID GREVILLEA AVENUE, 200 FEET WIDE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID GREVILLEA AVENUE TO ITS POINT OF INTERSECTION WITH THE NORTHERLY LINE OF KELSO STREET, 80 FEET WIDE, AS SHOWN ON MAP OF SAID TRACT; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF SAID NORTHERLY LINE TO A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 41 FEET, MEASURED AT RIGHT ANGLES, FROM SAID EASTERLY LINE OF GREVILLEA AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF SAID NUTWOOD STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 4021-015-019, 020 AND 021)

LOTS 7, 8, 9, 10, 11 AND 12 OF FIFIELD AND GEPHART TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (PORTION OF APN: 4021-015-021)

LOT 12 OF BLOCK 322 OF TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE WESTERLY 10 FEET OF THE VACATED ALLEY ADJOINING SAID LOT 12 ON THE EAST AND BOUNDED ON THE NORTH AND SOUTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 12.

APN: 4021-015-018; 4021-015-019; 4021-015-020 and 4021-015-021

STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles)

On 2/27/12, 20__ before me, Tunisia Johnson, Notary Public, personally appeared James T. Butts Jr.

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

TUNISIA JOHNSON
Commission # 1815748
Notary Public - California
Los Angeles County
My Comm. Expires Oct 3, 2012

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Los Angeles

On 1-22-2012 (Date) before me, Elma Flury, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Robin Hughes (Name(s) of Signer(s)),

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

ELMA FLURY
Commission # 1931895
Notary Public - California
Los Angeles County
My Comm. Expires Apr 8, 2015

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: Elma Flury (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document – Greville

Title or Type of Document: LMIHF Regulatory Agreement & Declaration of Restrictive Covenants

Document Date: 1-23-2012 Number of Pages: 22

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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Item #5907

OWNER PARTICIPATION AGREEMENT

by and between

THE REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD,

a public body, corporate and politic,

"Agency"

and

HOLLYWOOD PARK LAND COMPANY, LLC,

a Delaware limited liability company

"Participant"

TABLE OF CONTENTS

Page

AGREEMENT 2

ARTICLE I

SUBJECT OF AGREEMENT 2

1.1 Definitions. 2

1.2 Purpose of the Agreement. 4

1.3 The Redevelopment Plan. 4

1.4 The Site. 4

1.5 Parties to the Agreement. 4

1.5.1 Agency. 4

1.5.2 Participant. 4

1.6 Memorandum of Agreement. 4

ARTICLE II

AGENCY INFRASTRUCTURE PAYMENTS 4

2.1 Agency Payment for Public Improvements. 4

2.2 Infrastructure Credit Account. 5

2.3 Initial Deposit. 5

2.4 Required Agency Deposits. 5

2.5 Release of Funds. 5

2.6 Required Participant Payments. 6

2.7 Conditions Precedent to Disbursement of Agency Infrastructure Payments. 6

2.8 Audit of Infrastructure Credit Account. 6

ARTICLE III

DEVELOPMENT AND USE OF THE SITE 6

3.1 The Site. 6

3.2 Cost of Construction. 7

3.3 Rights of Access. 7

3.4 Agency Disclaimer. 7

3.5 Preferences. 7

3.6 Prevailing Wage Requirements. 7

3.7 Compliance with Laws 8

3.8 Maintenance of the Site 8

3.9 Nondiscrimination; Equal Opportunity 9

3.10 Obligation to Refrain from Discrimination. 9

3.11 Taxes, Assessments, Encumbrances, and Liens. 10

3.12 Prohibition on Transfer. 11

3.12.1 Requirements for Proposed Transfers. 11

3.12.2 Effect of Transfer without Agency Consent. 12

3.12.3 Recovery of Agency Costs. 12

3.13. Lender Obligations and Protections. 12

3.13.1 Encumbrances On The Property. 12

3.13.2 Lender Obligations. 12

3.13.3 Lender Protection. 12

3.13.4 Notice of Default to Lender; Right of Lender to Cure. 12

3.14 Certificate of Completion. 13

3.15 Insurance Requirements. 14

ARTICLE IV

ENVIRONMENTAL MATTERS 14

4.1 No Agency Liability; Participant's Covenants. 14

4.2 Environmental Indemnification. 14

4.2.1 No Limitation. 15

4.3 Hazardous Materials. 15

4.4 Environmental Laws. 15

ARTICLE V

DEFAULTS, REMEDIES AND TERMINATION 16

5.1 Event of Participant Default. 16

5.2 Agency Default. 17

5.3 Agency's Right to Terminate Agreement; 17

5.4 Remedies. 18

5.5 Acceptance of Service of Process. 18

5.6 Remedies Cumulative; No Consequential Damages. 18

5.7 Effect of Default. 18

ARTICLE VI

INSURANCE. 18

6.1 General Liability and Workers Compensation Insurance. 18

ARTICLE VII 18

MISCELLANEOUS 18

7.1 Notices 19

7.2 Non-liability of Officials and Employees. 20

7.3 Estoppel Certificates. 20

7.4 Participant's Warranties and Representations. 21

7.5 Time of the Essence; Calculation of Time Periods. 21

7.6 Enforced Delay; Extension of Times of Performance. 21

7.7 Attorney's Fees. 22

7.8 Authority to Execute Agreement. 22

7.9 Advice of Counsel. 22

7.10 No Third Party Beneficiaries. 23

7.11 Survival. 23

7.12 Calendar Days. 23

7.13 Effective Date. 23

7.14 Construction. 23

7.15 Action or Approval. 23

7.16 Entire Agreement. 23

7.17 Counterparts. 23

7.18 Severability. 24

7.19 Waiver; Remedies Cumulative. 24

7.20 Parties Not Co-Venturers. 24

7.21 Governing Law; Venue. 24

7.22 Term of Agreement. 24

7.23 General Indemnification. 24

7.24 Construction of Agreement. 25

EXHIBITS:

Exhibit A – Site Map
Exhibit B – Legal Description of Site
Exhibit C – Eligible Public Improvements
Exhibit D – Form of Memorandum of OPA
Exhibit E – Form of Release Request
Exhibit F – Form of Certificate of Completion
Exhibit G – Form of Assignment and Assumption

OWNER PARTICIPATION AGREEMENT

THIS OWNER PARTICIPATION AGREEMENT (this "**OPA**"), dated as of this 8th day of July, 2009, is entered into by and between the REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD, a public body, corporate and politic (the "**Agency**") organized and existing under the California Community Redevelopment Law, and HOLLYWOOD PARK LAND COMPANY, LLC, a Delaware limited liability company ("**Participant**"). The Agency, Participant and their respective Transferees are collectively referred to herein as the "**Parties**" and singularly as "**Party**."

RECITALS

A. Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) ("**CRL**"), the Agency has responsibility to implement the redevelopment plan adopted on July 30, 1996 by the City Council of the City of Inglewood (**"City Council"**) by Ordinance Nos. 96-11, 96-12, 96-13, 96-14, 96-15, and 96-16 (as subsequently amended, the "**Redevelopment Plan**") for the Merged In-Town, La Cienega, Manchester-Prairie, North Inglewood Industrial Park, Century, and Imperial-Prairie Redevelopment Projects (the "**Project Area**").

B. Participant is the record owner of real property known as APN 4025-011-028&029 containing approximately 238 acres, located in the City of Inglewood (the "**City**"), County of Los Angeles, State of California, which is depicted in Exhibit A attached hereto and by this reference incorporated herein, and as more particularly described in Exhibit B attached hereto and by this reference incorporated herein (the "**Site**"). The Site is located within the Project Area.

C. On July 8, 2009, the City Council approved development of an integrated, master-planned mixed-use development incorporating housing, retail, office, civic, casino/gaming, and open space uses on the Site (the "**Hollywood Park Project**" or the "**Project**");

D. On July 8, 2009, the City Council (i) approved an amendment to the City's General Plan to permit the uses set forth in the Specific Plan (as defined below); (ii) adopted a specific plan that sets forth a comprehensive set of development standards and design criteria to govern the development of the Site (the "**Hollywood Park Specific Plan**" or "**Specific Plan**"); (iii) rezoned the Site so as to permit the land uses set forth in the Specific Plan; (iv) approved a Vesting Tentative Tract Map for the Site; and (v) approved a development agreement by and between the City and the Participant that provides for the development of the Hollywood Park Project, which is recorded as document number 20091387150 in the official records of Los Angeles County (the "**Development Agreement**").

E. On July 8, 2009, the City Council adopted an ordinance amending the Redevelopment Plan in connection with the development of Hollywood Park Project (the "**Redevelopment Plan Amendment**").

F. City examined the environmental effects of the Hollywood Park Project as set forth in an Environmental Impact Report (the "**EIR**") prepared and circulated for public review pursuant to CEQA, and the City Council certified the EIR on June3, 2009.

G. As a responsible agency, the Agency has examined and considered the environmental effects of the Hollywood Park Project as shown in the EIR.

H. In order to facilitate the redevelopment of the Site through the Hollywood Park Specific Plan, Participant has requested, and Agency has agreed to provide certain financial assistance to Participant in connection with the development of the Hollywood Park Project, which are solely for the construction, alternation, demolition, installation, repair work with respect to certain public works of improvement required as a condition of the Development Agreement and the Project Approvals (collectively, the "**Agency Infrastructure Payments**"), all as specified in this OPA. The works of public improvement which are eligible for the Agency Infrastructure Payments consist of the Public Improvements listed on Exhibit C attached hereto and incorporated herein by this reference (the "**Eligible Public Improvements**");

I. Development of the Hollywood Park Project will provide a mixed-use community that will provide a source of new jobs, retail and recreational facilities, and housing. Increased revenue to the City and Agency from the Hollywood Park Project will serve as a stimulus for infrastructure improvements and the creation of affordable housing.

J. The purpose of this OPA is to effectuate the Redevelopment Plan by providing for the development of the Site as more particularly set forth herein. The Agency has determined that development of the Site pursuant to this OPA is consistent with the Redevelopment Plan and the Implementation Plan for the Project Area, and will be of benefit to the City and the Project Area.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above which are incorporated herein by reference and the mutual covenants and agreements described below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agency and Participant hereby agree as follows:

ARTICLE I

SUBJECT OF AGREEMENT

1.1 Definitions. For purposes of this OPA, capitalized terms have the following meanings. Capitalized terms not defined herein shall have the meaning ascribed to them in the Development Agreement (as defined below):

"**Agency**" has the meaning set forth in Section 1.5.1.

"**Agency Infrastructure Payments**" is defined in Recital H.

"**City**" means the City of Inglewood, State of California.

"**Claims**" is defined in Section 3.6.

"**CRL**" means Division 24, Part 1 of the Health and Safety Code of the State of California, beginning at Section 33000.

"**Development Agreement**" is defined in Recital D.

"**Environmental Laws**" is defined in Section 4.4.

"**Executive Director**" means the Executive Director of the Agency, or his or her designee.

"**Hazardous Materials**" is defined in Section 4.3.

"**Hollywood Park Project**" is defined in Recital C.

"**Infrastructure Credit Account**" is defined in Section 2.2.

"**Notice of Start of Development**" has the meaning set forth in the Development Agreement.

"**Party**" is defined in the first paragraph of this OPA.

"**First Phase**" shall have the meaning set forth in the Development Agreement.

"**Project Area**" is defined in Recital A.

"**Public Improvements**" shall have the meaning set forth in Section 2 of the Development Agreement.

"**Public Improvement Exactions**" means any Exactions, adopted by the City after the Adoption Date of the Development Agreement.

"**Redevelopment Plan**" means the Amended and Restated Redevelopment Plan for the Merged In-Town, La Cienega, Manchester-Prairie, North Inglewood Industrial Park, Century, and Imperial-Prairie Redevelopment Projects, adopted by Ordinance Nos. 96-11, 96-12, 96-13, 96-14, 96-15, and 96-16 of the City Council of the City of Inglewood on July 30, 1996, as amended by the Redevelopment Plan Amendment, and as the same may be amended from time to time by additional amendments.

"**Site**" is defined in Recital B.

"**Site Map**" refers specifically to Exhibit A attached to this OPA.

"**Tax Increment**" means the gross tax revenue generated from the Project Area that is allocated to and received by the Agency pursuant to Section 33670 of the CRL less (i) funds set aside for affordable housing pursuant to CRL Section 33334.2 or 33334.6, as applicable; and (ii) payment of statutory obligations pursuant to CRL Section 33607.5 and contractual obligations

pursuant to CRL Section 33401; and (iii) a ten percent (10%) set aside for administration of the Agency.

1.2 Purpose of the Agreement. The purpose of this OPA is to effectuate the Redevelopment Plan by facilitating the redevelopment of the Site. The use, development and improvement of the Site pursuant to this OPA, and the fulfillment generally of this OPA, are in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. In the event that any general provision of this Section 1.2 conflicts with any specific provision of this OPA, the specific provision shall prevail.

1.3 The Redevelopment Plan. This OPA is subject to the provisions of the Redevelopment Plan. The Redevelopment Plan is incorporated herein by reference and made a part of this OPA as though fully set forth herein.

Agency hereby finds and declares that the development contemplated by the Specific Plan is consistent with the Redevelopment Plan.

1.4 The Site. The Site is depicted on the Site Map attached hereto and incorporated by reference herein as Exhibit A, and described in the "**Legal Description**" attached hereto and incorporated by reference herein as Exhibit B. The Site is located within the Project Area, and is bounded by Prairie Avenue on the west, a vacant lot and the Renaissance development on the north, one- and two-story residential uses on the east, and Century Boulevard on the south.

1.5 Parties to the Agreement.

1.5.1 Agency. "**Agency**" as used in this OPA means the Redevelopment Agency of the City of Inglewood and any assignee of, or successor to, its rights, powers and responsibilities. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the CRL.

1.5.2 Participant. "**Participant**" as used in this OPA means Hollywood Park Land Company, LLC, a Delaware limited liability company, and any permitted transferee or assignee as herein provided.

1.6 Memorandum of Agreement. Concurrently with the execution of this OPA, the Parties shall execute a Memorandum of this OPA substantially in the form attached hereto as Exhibit D, which will be recorded in the official records of Los Angeles County.

ARTICLE II

AGENCY INFRASTRUCTURE PAYMENTS

2.1 Agency Payment for Public Improvements. Upon Participant giving its Notice of Start of Development, and as Participant commences construction of the required Public Improvements, Participant shall be eligible to receive a reimbursement with respect to Eligible Public Improvements, subject to the requirements of this Section 2.1. The Documented Costs (as defined below) incurred, or to be incurred in accordance with an executed construction contract,

with respect to the Eligible Public Improvements constitute the "**Infrastructure Credit**." As construction proceeds, Participant shall submit copies of contracts and invoices to the Agency documenting the amounts to be included in the Infrastructure Credit (the "**Documented Costs**").

2.2 Infrastructure Credit Account. There are certain payments, that Participant may be required to make under the Development Agreement as well as additional costs for certain as yet adopted development fees and exactions, that were not certain at the time of Project approval both as set forth in Section 2.4 below. The costs of the Project shall increase if these as yet unquantified payments are ultimately required to be made, Agency agrees that to the extent such future, but as yet uncertain, payments are required, it shall provide a reimbursement to the Participant of a portion of the Eligible Public Infrastructure equal to these additional costs. Agency and Participant shall establish and maintain throughout the term of this OPA, that certain interest bearing escrow account, denominated the "**Infrastructure Credit Account,**" account number _____, at ____ Bank (the "**Bank**"). Interest or investment earnings on funds deposited in the Infrastructure Credit Account shall be deposited into, and become a part of, the Infrastructure Credit Account.

2.3 Initial Deposit. Upon Agency's receipt of the Notice of Start of Development from Participant, Agency shall make an initial deposit of Three Million Nine Hundred Thousand Dollars ($3,900,000) (the "**Initial Deposit**") into the Infrastructure Credit Account.

2.4 Required Agency Deposits. To the extent (1) the Participant is required to make a payment as provided under Section 16.7 of the Development Agreement, or (2) the City adopts or increases above the CPI any Exactions listed in the Financing Plan after the Adoption Date of the Development Agreement, as set forth in Section 7.2 of the Development Agreement (collectively, the "**Participant Payments**"), then within ten (10) days of Participant's notice to the Agency of such event, the Agency shall deposit into the Infrastructure Credit Account an Agency Infrastructure Payment, not to exceed the Infrastructure Credit, in an amount at least equal to the amount of the Participant Payments. Notwithstanding the foregoing, Agency is not required to make Agency Infrastructure Payments under this Section 2.4 until Participant has made Participant Payments in an amount equal to the Initial Deposit.

2.5 Release of Funds.The Bank will release of funds from the Infrastructure Credit Account to the Participant as follows:

(a) The Participant shall deliver to the Agency a written request specifying the aggregate amount to be released, together with evidence that the Eligible Public Improvements to be financed with such Agency Infrastructure Payment are completed, or will be completed within twenty-four (24) months of the date of such request, or such longer period as agreed to by the Agency.

(b) Within three (3) business days of the Agency's receipt of the request, the Agency shall issue a "**Release Approval Letter**" (substantially in the form attached hereto as Exhibit E), signed by the Agency, authorizing the Bank to release funds from the Infrastructure Credit Account in an amount equal to the requested amount. At the request of the Participant, such funds may be paid directly to the City.

(c) The Agency shall close the Infrastructure Credit Account upon the issuance of the final Certificate of Completion for the Project or the Termination of the Development Agreement, and any remaining funds in the Infrastructure Credit Account shall be returned to the Agency.

2.6 Required Participant Payments. Agency and Participant Agree that on the three year anniversary of the delivery of the Initial Deposit, and every three years thereafter, the Parties will calculate the aggregate Participant Payments and the aggregate Agency Infrastructure Payments. To the extent that the aggregate amount of Participant Payments are less than the aggregate Agency Infrastructure Payments, Participant shall make a Participant Payment to City equal to the difference between the two amounts. Participant Payments made pursuant to this Section 2.6, if any, will be credited against future Participant Payments due under the Development Agreement.

2.7 Conditions Precedent to Disbursement of Agency Infrastructure Payments. Agency shall not be obligated to make any disbursements of the Agency Infrastructure Payments or take any other action under this OPA unless all of the conditions precedent set forth below are satisfied at the time of such disbursement. The disbursement of any portion of the Agency Infrastructure Payments prior to fulfillment of one or more of the following conditions is not a waiver of such conditions, and Agency reserves the right to require their fulfillment prior to making any subsequent disbursements:

(a) Participant has timely paid in full all real property taxes and assessments assessed and levied on or against the Site, or has cured any failure to timely pay all real property taxes; and

(b) the Development Agreement is in full force and effect; and

(c) Participant's representations and warranties made in this OPA are true and correct in all material respects; and

(d) or Default under this OPA or the Development Agreement, respectively, that remains uncured.

2.8 Audit of Infrastructure Credit Account. Agency reserves the right to audit all amounts paid to Participant out of the Infrastructure Credit Account.

ARTICLE III

DEVELOPMENT AND USE OF THE SITE

3.1 The Site. Participant represents and warrants that as of the Effective Date: (i) Participant owns the Site, and (ii) the Site is subject to no covenant, condition, restriction or agreement that would prevent the development of the Project in accordance with this OPA or the Development Agreement. If at any time the foregoing statements become untrue, and subject to the Participant's right to transfer al or a portion of the Site in accordance with this OPA, the Agency has the right to terminate this OPA upon written notice to Participant.

3.2 Cost of Construction. Except as expressly set forth herein, Agency shall have no responsibility for any direct or indirect costs and expenses incurred in connection with the acquisition of the Site, the design, development and construction of the Project or compliance with the Project Approvals.

3.3 Rights of Access. For the purpose of ensuring that the Hollywood Park Project is developed in compliance with this OPA, Participant shall permit representatives of the Agency to enter upon the Site to inspect the Site and the Hollywood Park Project following forty-eight (48) hours written notice (except in the case of emergency in which case such notice as may be practical under the circumstances will be provided).

3.4 Agency Disclaimer. Participant acknowledges that the Agency is under no obligation, and the Agency does not undertake or assume any responsibility or duty to Participant or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Hollywood Park Project. Participant and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Hollywood Park Project. Any review or inspection undertaken by the Agency is solely for the purpose of determining whether Participant is properly discharging its obligations under this OPA, and shall not be relied upon by Participant or any third party as a warranty or representation by the Agency as to the quality of the design or construction of the Public Improvements or otherwise.

3.5 Preferences. Participant shall require that all contractors and subcontractors shall coordinate with the WOCP, as defined in the Development Agreement, in satisfaction of the requirements of Section 33422.1 of the CRL so as to allow, to the greatest extent feasible, contracts for work to be performed in connection with the Hollywood Park Project to be awarded to business concerns located in, or owned in substantial part, by persons residing in the Project Area.

3.6 Prevailing Wage Requirements.Participant shall require that all contractors and subcontractors comply with California Labor Code Section 1720 *et seq.* and all regulations adopted pursuant thereto (collectively, "**Prevailing Wage Laws**"), and be responsible for carrying out the requirements of such provisions.

Participant shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless the Agency and its elective and appointive board, commissions, officers, agents, attorneys, consultants and employees, and all of its respective successors and assigns (the "**Indemnitees**"), from and against any and all claims, demands, suits and actions at law or in equity, and losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, and costs and damages of every kind, nature and description (including but not limited to attorneys' fees and court costs; with counsel reasonably acceptable to Agency), and administrative, enforcement or judicial proceedings, whether known or unknown ("Claims"), and which directly or indirectly, in whole or in part, are caused by, arise from, or relate to, or are alleged to be caused by, arise from, or relate to, the payment or requirement of payment of prevailing wages, the failure to comply with any state or federal labor laws, regulations or standards in connection with this OPA, including but not limited to California Labor Code

Section 1720 *et seq.* and the Prevailing Wage Laws, or any act or omission of Participant related to this OPA with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such claims, demands, suits, actions, losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, costs, damages, or administrative, enforcement or judicial proceedings. It is further agreed that the Agency does not, and shall not, waive any rights against Participant which it may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City or the Agency, or the deposit with City or the Agency by Participant, of any of the insurance policies described in this OPA. Participant's indemnification obligations set forth in this Section shall not apply to Claims arising from the gross negligence or willful misconduct of the Indemnitees.

The Agency and Participant acknowledge that the Eligible Public Improvements to be constructed pursuant to this OPA are subject to the Prevailing Wage Laws. The Parties acknowledge that, except as set forth in this OPA, the Participant will not receive any further Agency financial assistance and that the remainder of the Project is not being constructed pursuant to this OPA. The Agency and Participant further acknowledge that the only improvements receiving any form of Agency assistance are the Eligible Public Improvements. The Agency and Participant further acknowledge that the Eligible Public Improvements consist of construction, alteration, demolition, installation, repair work or exactions on or for a public work of improvement as a condition of regulatory approval of an otherwise private development project.

3.7 Compliance with Laws. Participant shall carry out and cause its contractors to carry out the construction of development on the Site in conformity with all applicable laws (as such laws may be interpreted and enforced by the governmental agency having jurisdiction thereof), including all applicable federal and state laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code (if any), building, plumbing, mechanical and electrical codes, the Project Approvals (as defined in the Development Agreement) and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.* Participant shall indemnify, defend (with counsel approved by Agency) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Participant's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that Agency and City do not and shall not waive any rights against Participant which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by Agency, or Participant's deposit with Agency of any of the insurance policies described in this OPA. Participant's indemnification obligations set forth in this Section shall not apply to Claims arising from the gross negligence or willful misconduct of the Indemnitees.

3.8 Maintenance of the Site. Participant shall, at its own expense, maintain the Site and the improvements and landscaping on the Site in good condition and repair and in decent safe and sanitary conditions and shall keep the Site free from any substantial accumulation of

debris or waste materials in conformity with all applicable state, federal, and local laws, ordinances, codes and regulations.

The Parties acknowledge that demolition constriction debris will be recycled on the Site as part of the Project's sustainability features, and is a permitted use on the Site. As part of the pre-construction planning for the Project, Participant will propose permitted locations on the Site to stockpile the recyclable construction debris so as to minimize the visual or aesthetic impacts of such recyclable construction debris on the existing community, as provided for in the Development Agreement.

3.9 Nondiscrimination; Equal Opportunity. During the construction of the Project, Participant will not discriminate on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry, disability, or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Hollywood Park Project, and Participant shall direct its contractors and subcontractors to refrain from discrimination on such basis.

3.10 Obligation to Refrain from Discrimination. Participant shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Participant covenants for itself and all persons claiming under or through it, and this OPA is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or part thereof, nor shall Participant or any person claiming under or through Participant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Site or part thereof. Participant shall include such provision in all deeds, leases, contracts and other instruments executed by Participant, and shall enforce the same diligently and in good faith.

All deeds, leases or contracts made or entered into by Participant, its successors or assigns, as to any portion of the Site or the improvements constructed on the Site shall contain the following language:

(a) In Deeds, the following language shall appear:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through

the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land."

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(b) In Leases, the following language shall appear:

"(1) The lessee herein covenants by and for the lessee and lessee's heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination of segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased.

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(c) In Contracts, the following language shall appear:

"There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land."

3.11 Taxes, Assessments, Encumbrances, and Liens. Participant shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Site and payable by Participant, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the

Site; provided, however, that Participant shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Participant exercises its right to contest any tax, assessment, or charge, the Participant, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

3.12 Prohibition on Transfer. Subject to the provisions of this Section 3.12, Participant shall have the right to assign or transfer all or any portion of its interest, rights or obligations under this OPA to third persons (the "**Transferee**") acquiring an interest or estate in all or a portion of the Property (the "**Transferred Property**"), including, but not limited to, purchasers or long term ground lessees of individual lots, parcels, or of any of the buildings located within the Property. Any sale, transfer or conveyance of the Property, or portion thereof, shall comply with the state Subdivision Map Act and City Subdivision Ordinance. Participant shall provide thirty (30) days written notice to Agency prior to the effective date of any sale, transfer or assignment (collectively, "**Transfer**") of its interest in all or any portion of the Property or any of its interests, rights and obligations under this OPA, and upon giving of such notice Transferee shall be deemed a Party fully liable for all obligations and requirements under this OPA applicable to the Transferred Property from and after the effective date of the Transfer, provided that to the extent Participant desires to the transfer the right to receive Agency Infrastructure Payments to a designated Transferee, Participant shall satisfy the following conditions: (1) prior to the effective date of the Transfer, Transferee and Participant shall execute and deliver to Agency an Assignment and Assumption Agreement in the form set forth in Exhibit G to this OPA; (2) Participant shall have not received a notice of a Event of Participant Default under this OPA that remains uncured as of the effective date of the Transfer; and (3) Participant shall obtain prior written consent of the Agency is obtained, which consent shall not be unreasonably withheld. If conditions (1), (2) and (3) are satisfied, then Participant shall be released from any further liability or obligation under this OPA related to the Transferred Property as specified in the Assignment and Assumption Agreement, and the Transferee shall be deemed to be the "Participant" under this OPA with all rights and obligations related thereto, with respect to such Transferred Property, including, but not limited to, eligibility to receive Agency Infrastructure Payments. Notwithstanding anything to the contrary contained in this OPA, if a Transferee defaults under this OPA, such default shall not constitute an Event of Participant Default with respect to any other portion of the Property hereunder.

3.12.1 Requirements for Proposed Transfers. To the extent that Agency consent is required in accordance with Section 3.12, the Agency shall, in the exercise of its reasonable discretion, consent to a proposed Transfer of this OPA, the Site or portion thereof if all of the following requirements are met:

(i) The proposed transferee demonstrates to the Agency's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the Agency to competently complete construction of the Project and to otherwise fulfill the obligations undertaken by the Participant under this OPA.

(ii) The Participant and the proposed Transferee shall submit for Agency review and approval all instruments and other legal documents proposed to effect any Transfer of this OPA, the Site or interest therein together with such documentation of the

proposed transferee's qualifications and development capacity as the Agency may reasonably request.

(iii) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the Agency in form recordable in the Official Records.

To the extent that Agency consent is required in accordance with Section 3.12, consent to any proposed Transfer may be given by the Agency's Executive Director unless the Executive Director, in his or her discretion, refers the matter of approval to the Agency's governing board. If a proposed Transfer has not been approved by Agency in writing within thirty (30) days following Agency's receipt of written request by Participant, it shall be deemed approved.

3.12.2 Effect of Transfer without Agency Consent.

(a) In the absence of specific written approval by the Agency, no transfer of the right to receive the Agency Infrastructure Payment by Participant shall be deemed effective

(b) Without limiting any other remedy Agency may have under this Agreement, or under law or equity, it shall be an Event of Default hereunder entitling Agency to terminate this Agreement if without the prior written approval of the Agency, Participant assigns or transfers the right to receive Agency Infrastructure Payments .

3.12.3 Recovery of Agency Costs. Participant shall reimburse Agency for all Agency costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this OPA and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten (10) days following Agency's delivery to Participant of an invoice detailing such costs.

3.13. Lender Obligations and Protections.

3.13.1 Encumbrances On The Property. The Parties hereto agree that this OPA shall not prevent or limit Participant, in any manner, from encumbering the Property or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, development, use, or operation of the Property.

3.13.2 Lender Obligations. A Lender not in legal possession of the Property shall not be subject to the obligations or liabilities of the Participant under this OPA. A Lender in legal possession shall not have any obligation or duty under this OPA including, but not limited to, any obligation to construct or complete the construction of improvements, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. A Lender in legal possession of the Property or portion thereof shall only be entitled to the benefits of this OPA if Lender fully complies with the terms of this OPA.

3.13.3 Lender Protection. This OPA shall be superior and senior to any lien placed upon the Property, or any portion thereof, after the date of recording this OPA, including

the lien for any deed of trust or mortgage ("**Mortgage**"). Notwithstanding the foregoing, no breach of this OPA shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this OPA shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or Lender who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise, and any such Lender or successor to a Lender who takes title to the Property or any portion thereof shall be entitled to the benefits arising under this OPA.

3.13.4 Notice of Default to Lender; Right of Lender to Cure. If Agency receives notice from a Lender requesting a copy of any notice of Event of Participant Default given under this OPA and specifying the address for service thereof, then Agency shall deliver to such Lender, concurrently with service thereon to Participant, any notice given to Participant with respect to any claim by Agency of the Event of Participant Default. Each Lender shall have the right during the same period available to Participant to cure or remedy, or to commence to cure or remedy, the Event of Participant Default or non-compliance as provided in this OPA; provided, however, that if the Event of Participant Default or noncompliance is of a nature which can only be remedied or cured by such Lender upon obtaining possession, such Lender may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Event of Participant Default or noncompliance within ninety (90) days after obtaining possession. If any such Event of Participant Default or noncompliance cannot, with diligence, be remedied or cured within such ninety (90) day period, then such Lender shall have such additional time as may be reasonably necessary to remedy or cure such Event of Participant Default or noncompliance (including but not limited to proceeding to gain possession of the Property) if such Lender commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible.

No purported Agency rules, regulations, modification, amendment and/or termination of this OPA shall be binding upon or affect the rights of any mortgagee holding a mortgage or deed of trust unless such mortgage or deed of trust is recorded in the Office of the Los Angeles County Recorder subsequent to the date any such rules, regulations, modification, amendment or termination is recorded in such office, or unless such mortgagee provides its prior written consent.

3.14 Certificate of Completion. Within 30 days after completion of each item of Eligible Public Improvements for which Participant received an Agency Infrastructure Payment in accordance with the provisions of this OPA and upon issuance of a Certificate of Completion of the Public Improvements by the City and written request of Participant, the Agency will provide an instrument ("**Certificate of Completion**") so certifying, provided that at the time such certificate is requested all components of the subject item of Eligible Public Improvements for which Participant received an Agency Infrastructure Payment have been completed. Such Certificate of Completion is conclusive evidence that Participant has satisfied its obligations regarding the completion of the subject item of Eligible Public Improvements as set forth in this OPA.

The Certificate of Completion shall be issued substantially in the form attached hereto as Exhibit D, and at Participant's option, shall be recorded in the Official Records of Los Angeles

County. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust or mortgage securing money loaned to finance the Project or any part thereof and shall not be deemed a notice of completion under the California Civil Code, nor shall such Certificate provide evidence that Participant has satisfied any obligation that survives the expiration of this OPA.

3.15 Insurance Requirements. Participant shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Article VI.

ARTICLE IV

ENVIRONMENTAL MATTERS

4.1 No Agency Liability; Participant's Covenants. Participant is the owner of the Site. Neither Agency nor City shall be responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials existing or occurring on the Site or any portion thereof, and Participant shall be solely responsible for all actions and costs associated with any such activities required for the development of the Project, the Site, or any portion thereof. Upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Site, or any portion thereof, Participant (as long as Participant owns the property which is the subject of such notice) agrees to timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. Participant hereby covenants and agrees that:

(i) Participant shall not knowingly permit the Project or the Site or any portion of either to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence or release of Hazardous Materials in, on, under, about or from the Project or the Site with the exception of cleaning supplies and other materials customarily used in construction, operation or maintenance of residential property and any commercial uses developed as part of the Project, and used, stored and disposed of in compliance with Hazardous Materials Laws, and

(ii) Participant shall keep and maintain the Project and the Site and each portion thereof in compliance with, and shall not cause or permit the Project or the Site or any portion of either to be in violation of, any Hazardous Materials Laws.

4.2 Environmental Indemnification. Participant shall indemnify, defend (with counsel approved by Agency) and hold the Indemnitees harmless from and against any and all Claims including without limitation any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials and administrative, enforcement or judicial proceedings resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal or the alleged presence, release, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Site, or (ii) the failure of Participant, Participant's employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing to comply with Hazardous

Materials Laws or the covenants set forth in Section 4.1. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Site or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws.

4.2.1 No Limitation. Participant hereby acknowledges and agrees that Participant's duties, obligations and liabilities under this Agreement, including, without limitation, under Section 4.2 above, are in no way limited or otherwise affected by any information the Agency may have concerning the Site and/or the presence in, on, under or about the Site of any Hazardous Materials, whether the Agency obtained such information from the Participant or from its own investigations. It is further agreed that Agency does not and shall not waive any rights against Participant that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by Agency, or the deposit with Agency by Participant, of any of the insurance policies described in this Agreement.

4.3 Hazardous Materials. As used herein, the term "**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

4.4 Environmental Laws. As used herein, the term "**Environmental Laws**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning

(i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. Section 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as each of the foregoing now exist or are hereafter amended, together with any regulations promulgated thereunder.

ARTICLE V

DEFAULTS, REMEDIES AND TERMINATION

5.1 Event of Participant Default. The following events shall constitute an event of default on the part of Participant ("**Event of Participant Default**"). The Agency shall give written notice of default to the Participant, specifying the default complained of by the Agency. The Agency may not exercise any rights or remedies upon a default by Participant, unless and until such default continues beyond any applicable cure period after written notice thereof from the Agency.

(a) Participant fails to commence or complete construction of such portion of the Eligible Public Improvements of the Project for which the Agency has disbursed Agency Infrastructure Payments , or subject to force majeure, abandons or suspends construction of such portion of the Eligible Public Improvements of the Project for which the Agency has disbursed Agency Infrastructure Payments prior to completion for a period of ninety (90) days or more;

(b) A transfer of the right to receive Agency Infrastructure Payments occurs, either voluntarily or involuntarily, in violation of Article III;

(c) Participant fails to maintain insurance on the Site and the Project as required pursuant to this OPA, and Participant fails to cure such default within ten (10) days;

(d) Subject to Participant's right to contest the following charges pursuant to Section 3.17, if Participant fails to pay prior to delinquency taxes or assessments due on the Site or the Project or fails to pay when due any other charge that may result in a lien on the Site or the Project, and Participant fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien;

(e) A default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Site and remains uncured beyond any applicable cure period such that the holder of such security instrument accelerates repayment of such loan;

(f) Any representation or warranty contained in this OPA, or in any application, financial statement, certificate or report submitted to the Agency in connection with this OPA or Participant's request for the Agency Infrastructure Payments, proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the Agency;

(g) The Participant shall have voluntarily suspended its business or Participant shall have been dissolved or terminated;

(h) An event of default arises under the Development Agreement and remains uncured beyond any applicable cure period; or

(i) Participant defaults in the performance of any term, provision, covenant or agreement contained in this OPA other than an obligation enumerated in this Section 5.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which Agency shall have given written notice of the default to Participant; provided however, if the default is of a nature that it cannot be cured within thirty (30) days, a Participant Event of Default shall not arise hereunder if Participant commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion.

5.2 Agency Default. An event of default on the part of Agency ("**Event of Agency Default**") shall arise hereunder if Agency fails to keep, observe, or perform any of its covenants, duties, or obligations under this OPA, and the default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days after written notice thereof from Participant to Agency, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Agency fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

5.3 Agency's Right to Terminate Agreement; If an Event of Participant Default shall occur and be continuing beyond any applicable cure period, then subject to Section ___ (concerning Force Majeure) Agency shall, in addition to other rights available to it under law or this OPA, have the right to terminate this OPA. If Agency makes such election, Agency shall give written notice to Participant and to any mortgagee entitled to such notice specifying the nature of the default and stating that, subject to such mortgagee's rights in accordance with

Section 3.14, this OPA shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this OPA and all rights of Participant under this OPA, shall expire and terminate.

5.4 Remedies. In addition to any other rights or remedies the parties may have in equity, either party may institute legal action to cure, correct, or remedy any default, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this OPA. Such equitable and/or legal actions must be instituted in the venue specified in Section 7.22.

5.5 Acceptance of Service of Process.

(1) In the event that any legal action is commenced by Participant against Agency, service of process on Agency shall be made by personal service upon the Redevelopment Manager or Chairperson of the Board of Directors of Agency, or in such other manner as may be provided by law.

(2) In the event that any legal action is commenced by Agency against Participant, service of process on Participant shall be made in such manner as may be provided by law, and shall be valid whether made within or without the State of California.

5.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this OPA, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth herein, a Party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential damages.

5.7 Effect of Default. Notwithstanding anything to the contrary in this OPA, if Participant has effected a Transfer so that its interest in the Property has been divided between Transferees, then any determination that a Party is in Default shall be effective only as to the Party to whom the determination is made and the portions of the Site in which such Party has an interest.

ARTICLE VI

INSURANCE.

6.1 General Liability and Workers Compensation Insurance.

(a) At all times that Participant is constructing any improvements that will become Public Improvements, Participant shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit as provided in Section 35 of the Development Agreement. The policy so maintained by Participant shall name the Agency as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

(b) At all times that Participant is constructing any improvements that will become Public Improvements, Participant shall maintain Workers' Compensation insurance as required Section 35 of the Development Agreement. Participant agrees to indemnify the Agency for any damage resulting from Participant's failure to maintain any such insurance.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Except as otherwise specified in this OPA, all notices to be sent pursuant to this OPA shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by:

(i) personal delivery, in which case notice is effective upon delivery;

(ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

(iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

(iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a nonbusiness day.

To Participant: Hollywood Park Land Company, LLC
c/o Stockbridge Real Estate Funds
Four Embarcadero Center, Suite 3300
San Francisco, CA 94111
Attn: Christopher Meany
Telephone: (415) 905-5300
Facsimile: (415) 905-5350

with a copy to: Hollywood Park Land Company, LLC
c/o Wilson Meany Sullivan
100 Wilshire Boulevard, Suite 940
Santa Monica, California 90401
Attn: Douglas Moreland
Telephone: (310) 382-9000
Facsimile: (310) 382-9097

and to: Gibson, Dunn & Crutcher LLP
333 S. Grand Avenue, Suite 4900
Los Angeles, California 90071
Attn: Amy R. Forbes, Esq.
Telephone: (213) 229-7151
Facsimile: (213) 229-6151

To Agency: Inglewood Redevelopment Agency
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attn: Executive Director
Telephone: (310) 412-5290
Facsimile: (310) 412-5680

with a copy to: Inglewood Redevelopment Agency
One Manchester Boulevard, 8th Floor
Inglewood, California 90301
Attn: Agency Counsel
Telephone: (310) 412-5372
Facsimile: (310) 412-8788

Inglewood Redevelopment Agency
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attn: Redevelopment Manager
Telephone: (310) 412-5290
Facsimile: (310) 412-5680

Inglewood Redevelopment Agency
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attn: Agency Secretary
Telephone: (310) 412-5290
Facsimile: (310) 412-5680

7.2 Non-liability of Officials and Employees. No member, official, or employee of Agency or City shall be personally liable to Participant, or any successor in interest, in the event of any default or breach by Agency or for any amount which may become due to Participant or to its successor, or on any obligations under the terms of this OPA.

7.3 Estoppel Certificates. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (a) this OPA is in full force and effect and a binding obligation of the Parties, (b) this OPA has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in default in the performance of its obligations under this OPA, or if in default, to describe therein the

nature and amount of any such defaults; and (d) such other information as may reasonably be requested. In the event the estoppel certificate discloses such a default, breach or event, it shall also state the manner in which such default, breach and/or event may be cured. The Party requesting such certificate or agreement shall provide the form thereof and, provided such certificate or agreement is in form and substance commercially reasonable. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The Executive Director shall have the right to execute any certificate requested by Participant hereunder. Agency acknowledges that a certificate hereunder may be relied upon by Transferees, Lenders and Mortgagees.

7.4 Participant's Warranties and Representations. Participant hereby warrants and represents the following to Agency for the purpose of inducing Agency to enter into this OPA and to consummate the transaction contemplated hereby, all of which shall be true as of the date hereof:

(1) Participant is a Limited Liability Company, duly organized and in good standing under the laws of the state of Delaware. Participant has the legal power, right and authority to enter into this OPA and the instruments and documents referenced herein to which Participant is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

(2) This OPA is duly executed by Participant, and all agreements, instruments and documents to be executed by Participant pursuant to this OPA shall, at such time as they are required to be executed hereunder, be duly executed by Participant. Each such agreement is, or shall be at such time as it is required to be executed hereunder, valid and legally binding upon Participant and enforceable in accordance with its terms. The execution and delivery of this OPA will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Participant is a party.

(3) There are no suits, other proceedings or investigations pending or, to the best of Participant's knowledge, threatened against Participant, that Participant reasonably believes would have a material adverse effect on the financial condition of Participant.

(4) Participant is not the subject of a bankruptcy or insolvency proceeding.

7.5 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this OPA. Unless otherwise specified, in computing any period of time described in this OPA, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this OPA, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California.

7.6 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party shall not be deemed to be in default, and all performance and other dates specified in this OPA shall be extended where delays or defaults are

hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, condemnation, requisition, laws, litigation, orders of governmental, civil, military or naval authority, acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of Agency which shall not excuse performance by Agency),or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a "Permitted Delay"). The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

Times of performance under this OPA may also be extended in writing by the mutual agreement of Participant and Agency (acting in the discretion of its Executive Director unless he or she determines in his or her discretion to refer such matter to the governing board of the Agency).

7.7 Attorney's Fees. If either Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against the other Party by reason of a Event of Participant or Agency Default, or otherwise arising out of this OPA, the prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. "Prevailing Party" within the meaning of this Section 7.7 shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

If any person or entity not a Party to this OPA initiates an action at law or in equity to challenge the validity of any provision of this OPA or the Project Approvals, the parties shall cooperate in defending such action. Participant shall bear its own costs of defense as a real party in interest in any such action, and Participant shall reimburse Agency for all costs (including, court costs) and attorneys' fees incurred by Agency in defense of any such action or other proceeding. In its sole discretion, Agency may tender its defense of such action to Participant or defend the action itself. Upon a tender of defense to Participant by Agency, Participant shall defend through counsel approved by Agency, which approval shall not be unreasonably withheld, and Participant shall bear all attorneys' fees and costs from the date of tender.

7.8 Authority to Execute Agreement. Each of the persons executing this OPA hereby represent and warrant that he or she is authorized to represent the party for whom such person is executing this OPA, and to enter into this OPA on behalf of such party.

7.9 Advice of Counsel. Each party hereto has had the opportunity to seek the advice of independent counsel of its choosing concerning this OPA. This OPA is deemed to have been jointly prepared by all of the parties hereto, and any uncertainty or ambiguity existing herein shall not be interpreted against any party on the ground that it was the drafter of this OPA.

7.10 No Third Party Beneficiaries. This OPA is intended to confer rights and benefits only upon the parties and their successors and assigns and is not intended to confer any rights or benefits upon any other person or entity. No person or entity other than the parties and their successors and assigns shall have any legally enforceable rights hereunder. All rights of action for any breach of this OPA are hereby reserved to the parties hereto and their successors and assigns. Notwithstanding the foregoing, the City is hereby agreed to be a third party beneficiary of this OPA.

7.11 Survival. All representations made by Participant hereunder and Participant's obligations pursuant to Section 3.12, shall survive the expiration or termination of this OPA and the issuance and recordation of a Certificate of Completion.

7.12 Calendar Days. All references in this OPA to a number of days in which either party shall have to consent, approve or perform shall mean calendar days unless specifically stated to be business days.

7.13 Effective Date. This OPA shall be effective as of the Effective Date of the Development Agreement.

7.14 Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this OPA. The Parties acknowledge that this OPA is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this OPA, this OPA shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

7.15 Action or Approval. Whenever action and/or approval by Agency is required under this OPA, Agency's Executive Director or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the Executive Director determines in his or her discretion that such action or approval requires referral to Agency's Board for consideration.

7.16 Entire Agreement. This OPA, including Exhibits A through H attached hereto and incorporated herein by this reference, together with the other Agency Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

7.17 Counterparts. This OPA may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Party. Any executed counterpart of this OPA may be delivered to the other Party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

7.18 Severability. If any term, provision, or condition of this OPA is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this OPA shall continue in full force and effect unless an essential purpose or benefit of this OPA is defeated by such invalidity or unenforceability, then the Party deprived of the essential purpose or benefit shall have the option to terminate this entire OPA.

7.19 Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict performance of any of the provisions of this OPA by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. All of the remedies permitted or available to a Party under this OPA, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy..

7.20 Parties Not Co-Venturers. Nothing in this OPA is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

7.21 Governing Law; Venue. The laws of the State of California shall govern the interpretation and enforcement of this OPA. Venue shall be Los Angeles Superior Court or United States District Court, Central District.

7.22 Term of Agreement. Unless earlier terminated pursuant to Section 5.6, this OPA shall remain in full force and effect until the final Certificate of Completion is issued to Participant, or the Development Agreement is Terminated (as defined therein), which is the first to occur.

7.23 General Indemnification. Participant shall indemnify, defend (with counsel approved by Agency) and hold harmless Indemnitees from all Claims (including without limitation, reasonable attorneys' fees) arising in connection with any claim, action or proceeding to attack, set aside, void, or annul any approval by the City or the Agency or any of its agencies, departments, commissions, agents, officers, employees or legislative body concerning the Project or this OPA. The Agency will promptly notify Participant of any such claim, action or proceeding, and will cooperate fully in the defense. The Agency and City may, within the unlimited discretion of each, participate in the defense of any such claim, action or proceeding, and if the Agency or City chooses to do so, Participant shall reimburse Agency and City for reasonable attorneys' fees and expenses incurred. The indemnity under this section does not survive Termination of this OPA but shall be independent of other indemnities or indemnity agreements, which may survive in accordance with their terms. Notwithstanding the foregoing, Participant shall have no indemnification obligation with respect to the gross negligence or willful misconduct of Agency, its contractors, subcontractors, agents or employees.

7.24 Construction of Agreement. The provisions of this OPA and the Exhibits shall be construed as a whole according to their common meaning and not strictly for or against any Party in order to achieve the objectives and purpose of the Parties. The captions preceding the text of each Article, Section, subsection and the Table of Contents are included only for convenience of reference and shall be disregarded in the construction and interpretation of this OPA. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. Unless otherwise specified, whenever in this OPA, reference is made to the Table of Contents, any Article or Section, or any defined term, such reference shall be deemed to refer to the Table of Contents, Article, Section or defined term of this OPA. Exhibits to this OPA shall be incorporated into this OPA as if stated fully herein. The use in this OPA of the words "including", "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as "without limitation" or "but not limited to", or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. This OPA has been reviewed and revised by legal counsel for both Landowner and City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this OPA.

SIGNATURES ON FOLLOWING PAGE

REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD, a public body, corporate and politic

By: _____
Chairperson

ATTEST:

_____
Agency Secretary

APPROVED AS TO FORM

_____
Agency Counsel

HOLLYWOOD PARK LAND COMPANY, LLC, a Delaware limited liability company

By: _____
Sr. Vice President

EXHIBIT A

SITE MAP

***Location*:** 1050 South Prairie Avenue

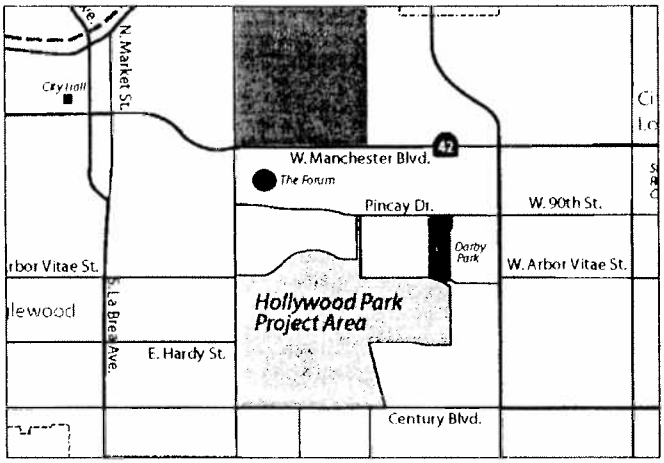

EXHIBIT B

LEGAL DESCRIPTION OF SITE

Title No. 07-259907920-E-MR
Locate No. CAFNT0925-0925-0199-0259907920

PARCEL "C" OF PARCEL MAP NO. 25640 IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 289, PAGES 53 TO 61 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THE ABOVE REFERENCED MAP BEING AFFECTED BY THAT CERTAIN CERTIFICATE OF CORRECTION RECORDED JUNE 28, 2000 AS INSTRUMENT NO. 00-0993688 OF OFFICIAL RECORDS.

EXCEPT THEREFROM UNTO; TIDEWATER ASSOCIATED OIL COMPANY, ITS SUCCESSORS AND ASSIGNS IN, DEED RECORDED FEBRUARY 25, 1947 IN BOOK 24243 PAGE 423, OFFICIAL RECORDS, ALL MINERALS, INCLUDING BUT NOT LIMITED TO HYDRO CARBONACEOUS SUBSTANCES, TOGETHER WITH THE RIGHT TO MINE, EXTRACT, RECOVER AND REMOVE THE SAME; SUBJECT, HOWEVER TO THE PROVISO AND COVENANTS THERETO CONTAINED.

ALSO EXCEPT THEREFROM UNTO MANCHESTER AVENUE COMPANY, A CALIFORNIA CORPORATION, BY DEED RECORDED AUGUST 31, 1956 IN BOOK 52179 PAGE 412, OFFICIAL RECORDS, AN UNDIVIDED 28/200 OF ONE PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM THAT PORTION OF SAID LAND LYING NORTHERLY OF LINE PARALLEL WITH AND 1320 FEET MEASURED SOUTHERLY AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID SECTION 34.

ALSO EXCEPT ALL SUBSURFACE OIL, GAS, CASINGHEAD GAS AND OTHER HYDROCARBON AND OTHER GASEOUS SUBSTANCES LOCATED ON SAID PROPERTY, AS GRANTED TO HOLLYWOOD PARK OPERATING COMPANY, A DELAWARE CORPORATION, IN A DEED RECORDED MAY 18, 1982 AS INSTRUMENT NO. 82-511580.

ALSO EXCEPT THEREFROM UNTO MASON LETTEAN, F.T. HINTONA ND JOHN R. MACFADEN CONSTITUTING THE BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 IN BOOK D2398 PAGE 795, OFFICIAL RECORDS, ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY ON THAT PORTION OF SAID LAND LYING NORTHERLY OF A LINE PARALLEL WITH

AND 1320 FEET SOUTHERLY MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID SECTION 34.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED PROPERTY: THE EASTERLY 40.00 FEET OF PARCEL B AS SHOWN ON MAP OF PARCEL MAP 25640, IN THE CITY OF INGLEWOOD, AS PER MAP FILED IN BOOK 289 PAGES 53 TO 61 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4025-011-028 & 029

EXHIBIT C

ELIGIBLE PUBLIC IMPROVEMENTS

HOLLYWOOD PARK – SCHEDULE OF ELIGIBLE PUBLIC IMPROVEMENTS

Phase A, Casino Renovation, Parking Structure, Parking Lot and Access Road (Public Infrastructure)

- Relocate the 90" diameter approximately 2,850' long L.A. County MTD 1805 storm drain from Doty to the north Hollywood Park property boundary. Install interim Hollywood Park storm drain and Casino roof drain connection.
- Install approximately 750' of 66" diameter L.A. County MTD 1823 storm drain from Yukon across the new Casino access road. Install interim Hollywood Park storm drain bypass connection.
- Install approximately 1,050' of 24" City of Inglewood storm drain from Doty to Yukon.
- Install approximately 970' of 48" City of Inglewood Storm drain from Doty into the HP Property. Connect to existing Casino roof drains.
- Install approximately 3,100' of 8" – 12" sewer under the new Casino Access Road and in the Hollywood Park parking lot. Install an interim bypass connection for the existing L.A. County sewer main.
- Install a new City water main and fire hydrants from Yukon along Century Blvd to Doty. Install a new City water main in the Casino Access Road to connect to the existing water system.
- Install a new telephone main from Praire/97th to Doty/Century. Install new electric, telephone and natural gas services from Century Blvd. to the Casino.
- Install a new driveway in Century Blvd for the Casino Access Road.

Phase 1:

- Relocate the 12" L.A. County Sewer Main that crosses from north to south across the Hollywood Park Property. Install approximately 940' of new 15" sewer west along Arbor Vitae and south along Osage Ave. Abandon the existing 12" sewer.
- Complete L.A. County MTD 1823 Storm Drain to accept all storm water flows from off site and to pass them through the property.
- Make new wet and dry utility connections in Century Blvd. and Prairie Ave. and extend them into the Project Boundary.
- Widen, install medians and restripe Century Blvd. and Prairie Ave. along the Hollywood Park Property frontage to provide a dedicated right turn only lane. Relocate storm drain catch basins as necessary. Relocate street lights. Adjust existing valves, utility boxes etc.

to new grades. Install new sidewalk. Relocate bus shelters, benches and trash receptacles. Widen and restripe eastbound Hardy Street approach to provide a dedicated left turn lane. Relocate existing utilities, street lights and street signs as necessary.

- Restripe eastbound Arbor Vitae approach to provide a dedicated left turn lane.
- Modify traffic signal improvements at Arbor Vitae/Prairie, Hardy/Prairie, Prairie/Century, Doty/Century and Yukon/Century. Add traffic signal improvements at 97th /Prairie, and the new casino entrance/Century.
- Widen west side of Crenshaw Blvd. north of Century.
- Upgrade 7 intersections with ITS traffic signal improvements per the EIR including Crenshaw/Century, Prairie/Century, Doty/Century, Yukon/Century, Club Drive/Century, 11th Ave/Century and Van Ness/Century.
- Install new recycled water irrigation system, street trees, and ground cover in the Century and Prairie parkway along the project frontage.
- Within the phase 1 project boundary backbone wet and dry utilities, street improvements, street lights, street trees and landscaping will be installed.
- Complete lower portion of Lake Park including the waterfall.

Phase 2:

- Within the phase 2 project boundary backbone wet and dry utilities, street improvements, street lights, street trees and landscaping will be installed. This includes all roads and utilities surrounding the Civic Site.
- Complete upper portion of Lake Park, Champion Park and Arroyo Park.
- Upgrade 9 intersections with ITS traffic signal improvements per the EIR including La Brea/Centinela, La Brea/Florence, Prairie/Florence, Crenshaw/Manchester, Centinela/Florence, Crenshaw/Imperial, La Brea/Hyde Park, Market/Florence and Centinela/Hyde Park.

Phase 3:

- Within the phase 3 project boundary backbone wet and dry utilities, street improvements, street lights, street trees and landscaping will be installed. This includes the access road from Pincay to the northern Property boundary.
- Complete Bluff Park.
- Modify traffic signal improvements at Carlton Dr. / Pincay Drive.
- Upgrade 3 intersections with ITS traffic signal improvements per the EIR including La Brea/Century, I-405 Northbound Ramps/Century, Inglewood Ave./Century.

EXHIBIT D

FORM OF MEMORANDUM OF OWNER PARTICIPATION AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Inglewood Redevelopment Agency
One Manchester Boulevard, 4th Floor
Inglewood, California 90301
Attention: Redevelopment Manager

Exempt from recording fees pursuant to
Gov't Code Section 6103

MEMORANDUM OF OWNER PARTICIPATION AGREEMENT

This Memorandum of Owner Participation Agreement (this "**Memorandum**") dated as of August 7, 2009, is entered into by and between the REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD, a public body, corporate and politic (the "**Agency**") organized and existing under the California Community Redevelopment Law, and HOLLYWOOD PARK LAND COMPANY, LLC, a Delaware limited liability company ("**Participant**"). The Agency, Participant and their respective Transferees are collectively referred to herein as the "**Parties**" and singularly as "**Party**."

1. Consistent with the authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) ("**CRL**"), the Agency has responsibility to implement the redevelopment plan adopted on July 30, 1996 by the City Council of the City of Inglewood (**"City Council"**) by Ordinance Nos. 96-11, 96-12, 96-13, 96-14, 96-15, and 96-16 (as subsequently amended, the "**Redevelopment Plan**") for the Merged In-Town, La Cienega, Manchester-Prairie, North Inglewood Industrial Park, Century, and Imperial-Prairie Redevelopment Projects (the "**Project Area**"), Agency and Participant have entered into that certain Owner Participation Agreement dated as of the date hereof (the "**OPA**"), pursuant to which Participant has agreed to develop certain real property (the "**Property**") located within the Project Area, known as APN 4025-011-028&029, more commonly known as Hollywood Park and more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

2. Among other conditions, the OPA provides that Participant shall construct certain public infrastructure improvements along with, but outside the terms and scope of the OPA, a mixed use community covering the 238 acre Property ("**Improvements**" and together with the Property, "**Project**")

3. The OPA further provides that (i) except as permitted by the OPA, Participant shall not voluntarily or involuntarily make or attempt any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of the Property or the improvements located thereon without the prior written approval of the Agency; and (ii) any transferee of all or part of the Property shall be subject to and shall expressly assume all of the covenants, obligations and restrictions of the OPA which pertain to the portion of the Property transferred.

4. Participant and Agency have executed and recorded this instrument to give notice of the OPA and the respective rights of Participant and Agency thereunder. Copies of the unrecorded OPA are available at the offices of the Agency, One Manchester Boulevard, 9th Floor, Inglewood, California, and such document is incorporated by reference in its entirety in this Memorandum. In the event of any inconsistency between this Memorandum and the OPA, the OPA shall control.

5. This Memorandum shall be interpreted and enforced in accordance with California law without regard to principles of conflict of laws.

6. The OPA shall bind and inure to the benefit of the Participant and the Agency and their respective successors and assigns.

SIGNATURES ON NEXT PAGE

REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD, a public body, corporate and politic

By: _____
Chairperson

ATTEST:

_____
Agency Secretary

APPROVED AS TO FORM

_____
Agency Counsel

HOLLYWOOD PARK LAND COMPANY, LLC, a Delaware limited liability company

By: _____
Sr. Vice President

SIGNATURES MUST BE NOTARIZED.

State of California)
) ss
County of Los Angeles)

On September 17, 2009, before me, Gloria M. Chacon, a notary public in and for said State, personally appeared Christopher Meany, who proved to me on the basis of satisfactory evidence to be the person(X) whose name(X) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(X) on the instrument the person(X), or the entity upon behalf of which the person(X) 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 Gloria M. Chacon (Seal)

GLORIA M. CHACON
Commission # 1820824
Notary Public - California
Los Angeles County
My Comm. Expires Oct 30, 2012

EXHIBIT E

FORM OF RELEASE REQUEST

RELEASE APPROVAL LETTER

[Date]

[INSERT BANK ADDRESS]

Re: Hollywood Park Owner Participation Agreement, Infrastructure Credit Account (the "Account")

Ladies & Gentlemen:

1. Reference is made to:

(a) The above-referenced Account; and

(b) The Escrow Agreement dated as of _____ ___, 20__ (the "Escrow Agreement") among the Hollywood Park Land Company, LLC (the "Participant") and the Redevelopment Agency of the City of Inglewood, a public body, corporate and politic (the "Agency").

2. Pursuant to Paragraph ___ of the Escrow Agreement, you are hereby instructed and authorized to release from the Account the following sum(s), payable to the payees and in the amounts as set forth below. You are authorized to pay such sums by your check(s), which you shall deliver to the Participant.

Payee Name	Amount
	$

Very truly yours,

REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD,

By: _____
Name: _____
Title: _____

EXHIBIT F

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: Inglewood Redevelopment Agency One Manchester Boulevard, 4th Floor Inglewood, California 90301 Attention: Redevelopment Manager Exempt from recording fees pursuant to Gov't Code Section 6103	

Space above this line for Recorder's use.

CERTIFICATE OF COMPLETION

This Certificate of Completion (the "**Certificate**") is made by the Redevelopment Agency of the City of Inglewood, a public body, corporate and politic organized and existing under the California Community Redevelopment Law (the "**Agency**") effective as of _____, 20__.

RECITALS

A. Agency and Hollywood Park Land Company, LLC a Delaware limited liability company ("**Participant**") entered into that certain Owner Participation Agreement (the "**OPA**") dated _____, 2009 concerning the construction of certain public infrastructure improvements (the "**Eligible Public Improvements**") along with, but outside the terms and scope of the OPA, a mixed use community covering the 238 acre, located within the Project Area, known as APN _____, more commonly known as Hollywood Park (the "**Property**") and together with the Property, the "**Project**").

B. Pursuant to Section 3.14 of the OPA, the Agency is required to furnish the Participant or its successors with a Certificate of Completion upon completion for each item of Eligible Public Improvements for which Participant received an Agency Infrastructure Payment in accordance with the provisions of the OPA.

C. The Agency has determined that Eligible Public Improvements have been satisfactorily completed in accordance with the OPA. [ALTERNATIVE TEXT TO BE USED WHEN ALL ELIGIBLE PUBLIC IMPROVEMENTS ARE COMPLETED: The Agency has determined that the Project has been satisfactorily completed in accordance with the OPA.]

NOW, THEREFORE, Agency hereby certifies as follows:

1. The following Eligible Public Improvements have been satisfactorily completed. [LIST IMPROVEMENTS] [OR IF ALL ELIGIBLE PUBLIC IMPROVEMENTS HAVE BEEN COMPLETED THEN USE FOLLOWING TEXT: The Project has been satisfactorily completed.]

2. All use, maintenance and nondiscrimination covenants contained in the OPA shall remain in effect and enforceable in accordance with the OPA. This Certificate does not constitute evidence of Participant's compliance with those covenants in the OPA that survive the issuance of this Certificate.

3. This Certificate does not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust securing money loaned to finance the Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.

4. Nothing contained in this instrument shall modify any provisions of the OPA or any other document executed in connection therewith.

5. This Certificate of Completion is conclusive evidence that Participant has satisfied its obligations regarding the completion of the subject Eligible Public Improvements as set forth in the OPA.

IN WITNESS WHEREOF, Agency has executed and issued this Certificate of Completion as of the date first written above.

REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD, a public body, corporate and politic

By: ***FORM-DO NOT SIGN***
Chairperson

ATTEST:

FORM-DO NOT SIGN
Agency Secretary

APPROVED AS TO FORM

FORM-DO NOT SIGN
Agency Counsel

SIGNATURES MUST BE NOTARIZED.

1240024.2

Document2

EXHIBIT G

FORM OF ASSIGNMENT AND ASSUMPTION

THIS DOCUMENT WAS PREPARED BY,
AND AFTER RECORDING RETURN TO:

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue, 49th Floor
Los Angeles, CA 90071
Attention: Amy R. Forbes, Esq.

(Space Above For Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT ("**Assignment Agreement**") is made as of the [___] day of [_____], 20__, by and between Hollywood Park Land Company, LLC ("**Assignor**") and [_____] ("**Assignee**"), with reference to the following facts:

A. Assignor owns certain real property and certain improvements located thereon, known as Hollywood Park, located at 1050 South Prairie Avenue in the City of Inglewood, California, and more particularly described on **Exhibit A** hereto and incorporated herein by this reference (the "**Property**").

B. The Redevelopment Agency of the City of Inglewood, a public body, corporate and politic ("**Agency**"), and Assignor entered into that certain Owner Participation Agreement, dated July 8, 2009 by and between the Agency and Assignor, a memorandum of which was recorded on [_____], 2009 as Instrument No. [_____] in the Official Records of Los Angeles County, California (the "**OPA**")

C. Assignor and Assignee have entered into that certain Purchase and Sale Agreement dated _____, 20__ (the "**Purchase Agreement**") whereby a portion of the Property will be sold to Assignee, which portion of the Property is identified and described in **Exhibit B**, attached hereto and incorporated by this reference (the "**Assigned Parcel(s)**").

D. In accordance with Section 3.12 of the OPA, Assignor has provided City 30 days prior written notice of its intent to sale, transfer or assign its interest in all or any portion of the Property or any of its interests, rights or obligations under the OPA.

E. [INCLUDE IF ASSIGNOR IS TRANSFERRING ITS RIGHT TO RECEIVE AGENCY PAYMENTS] In accordance with Section 3.12 of the OPA, Assignor has requested that Agency consent to the transfer of Assignor's interests, rights or obligations under the OPA

including its right to receive Agency Infrastructure Payments, and Agency has approved and consented to this Assignment (the "**Assigned Obligations**").

F. Assignee desires to accept the Assigned Obligations, subject to the terms, conditions and restrictions set forth in the Assignment Agreement.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants and conditions herein below set forth, it is agreed:

1. Assignor hereby assigns and transfers to Assignee, the Assigned Obligations under the OPA with respect to the Assigned Parcel(s). Assignor retains all obligations under the OPA with respect to all other portions of the Property that do not include the Assigned Parcel(s) that Assignor continues to own.

2. Assignee herby assumes all of the Assigned Obligations under the OPA with respect to the Assigned Parcels, and agrees to observe and fully perform all of the duties and obligations of Assignor under the OPA, and to be subject to the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both Assignor and Assignee that, upon execution of this Assignment Agreement and conveyance of the Assigned Parcels to the Assignee, Assignee shall become substituted for Assignor as "Participant" and "Party" under the OPA with respect to the Assigned Parcel(s) and the Assignor shall be unconditionally and irrevocably released therefrom from and after the date hereof.

3. Assignor warrants and represents to Assignee that Assignor has full right and authority to make this Assignment Agreement and vest in Assignee the rights, interests, powers and benefits hereby assigned.

4. This Assignment is an absolute conveyance of title in effect as well as in form and is intended to include and unconditionally convey any equitable or redemptive rights of Assignor and is not intended as a mortgage or security device of any kind.

5. Notwithstanding anything to the contrary contained herein, this Assignment Agreement is not intended to, and shall not, merge the equitable and legal titles in any of the rights and interests assigned herein, nor shall this Assignment release any liens or security interests securing any indebtedness encumbering any of the rights and interests assigned herein, it being the intention of the Assignor and Assignee to keep such liens separate and distinct and in full force and effect and to maintain the priority of such liens against any other liens or encumbrances affecting the rights and interests assigned herein.

6. This Assignment Agreement is expressly conditioned upon the closing of the transaction contemplated in the Purchase Agreement.

7. This Assignment Agreement may be executed in counterparts which taken together shall constitute one and the same instrument.

8. The provisions of this instrument shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

9. Assignor and Assignee each hereby covenants that it will, at any time and from time to time, execute any documents and take such additional actions as the other, or its respective successors or assigns, shall reasonably require in order to more completely or perfectly carry out the transfers intended to be accomplished by this Assignment Agreement.

10. This Assignment Agreement shall be construed and interpreted in accordance with the laws of the State of California.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment Agreement as of the date first set forth above.

"ASSIGNOR"

Hollywood Park Land Company, LLC,
a Delaware limited liability company

By: _____
Name CHRISTOPHER MEANY
Title: Sr. Vice President

"ASSIGNEE"

[_____],
a [_____]

By: _____
Name _____
Title: _____

FORM OF ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT IS APPROVED AND CONSENTED TO BY **[INSERT CONSENT INSTRUMENT]** ATTACHED HERETO AS **EXHIBIT C**, AND ON THIS [___] DAY OF [_____], 20__:

"**AGENCY**"

CITY OF INGLEWOOD REDEVELOPMENT AGENCY,
a public body, corporate and politic

By: _____

Name: _____

Title: _____

ATTEST:

_____

Name: _____

Title: _____

APPROVED AS TO FORM FOR AGENCY:

_____

Name: Pat P. Sanders

Title: General Counsel

EXHIBIT A

TO

ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT

LEGAL DESCRIPTION Hollywood Park

Real property in the County of Los Angeles, State of California, described as follows:

EXHIBIT B

TO

ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT

LEGAL DESCRIPTION of TRANSFERRED PROPERTY

Real property in the County of Los Angeles, State of California, described as follows:

EXHIBIT C

TO

ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT

Agency Consent Resolution

RESOLUTION NO R09-09

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF INGLEWOOD, CALIFORNIA, APPROVING THE OWNER PARTICIPATION AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY AND HOLLYWOOD PARK LAND COMPANY LLC FOR CERTAIN FINANCIAL ASSISTANCE FOR HOLLYWOOD PARK ON THE 238-ACRE PROPERTY AT 1050 SOUTH PRAIRIE AVENUE

WHEREAS, the Inglewood Redevelopment Agency (Agency) is a community redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the California Community Redevelopment Law (Part 1 of Division 24, commencing with Section 33000, of the Health and Safety Code of the State of California (CRL); and

WHEREAS, the City Council adopted a combined Amended and Restated Redevelopment Plan (Redevelopment Plan) for the Merged Inglewood Project on July 30, 1996 by Ordinance No.'s 96-11, 96-12, 96-13, 96-14, 96-15 and 96-16, which amended, restated, and superseded in their entirety, the redevelopment plans which had been adopted and amended for the constituent projects that comprise the Merged Project Area including In-Town, La Cienega, Manchester-Prairie, North Inglewood Industrial Park, Century, and Imperial Prairie Redevelopment Projects (Project Area); and

WHEREAS, pursuant to state law, on the 16th day of October, 2008, there was filed with the Planning Division of the City of Inglewood, California, an application by Hollywood Park Land Company, LLC, for approval of a Development Agreement (Development Agreement) for a proposed master-planned mixed-use community on

an approximately 238-acre property, located at 1050 South Prairie Avenue, on the real property legally described as:

> Portions of Lot C of Parcel Map No. 25640 in the City of Inglewood, County of Los Angeles, State of California, as per map filed in Book 289, Pages 53 to 61 inclusive of Parcel Maps, in the office of the County Recorder of said County. Exceptions noted. The two lots are also identified as Assessors Parcel Number (APN) 4025-011-028 and APN 4025-011-029 (Property); and

WHEREAS, pursuant to the California Environmental Quality Act, Public Resources Code, § 21000, et seq. (CEQA), the City prepared an Environmental Impact Report (EIR) for the Hollywood Park Project, including the Hollywood Park Specific Plan (SP-08-01) and development authorized under the Development Agreement, (State Clearinghouse No. 2007111018), which analyzed adverse environmental impacts of development under the proposed Project, including the Specific Plan and Development Agreement; and

WHEREAS, on May 28, 2009, staff requested that the Agency continue consideration of Owner Participation Agreement. The Agency granted the request and continued the hearing to June 3, 2009, at 5:30 p.m., at the City Council Chambers, Ninth Floor of City Hall; and

WHEREAS, on June 3, 2009, prior to acting on the Owner Participation Agreement, the City Council and Agency reviewed and considered the EIR and adopted a resolution certifying the EIR, adopted certain environmental findings, a Statement of Overriding Considerations for significant and unavoidable impacts of the Project, and a Mitigation Monitoring and Reporting Program for the proposed Hollywood Park project, including this Owner Participation Agreement; and

WHEREAS, on July, 8, 2009 the Agency further amended the Redevelopment Plan to include the land uses specified in the Hollywood Park Specific Plan; and

WHEREAS, in order to carry out and implement the Redevelopment Plan for the Project Area, the Agency desires to authorize the execution of an Owner Participation Agreement (OPA) with Hollywood Park LLC to provide certain financial assistance for the construction of public improvements that are required to be constructed under the Development Agreement; and

WHEREAS, the Hollywood Park Project is located within the Project Area and the redevelopment of the Property will benefit the Project Area by providing retail, residential, recreational, and commercial facilities, thereby promoting quality development, construction jobs, permanent employment and enhancing the environment of the Project Area; and

WHEREAS, all actions required by all applicable law with respect to the proposed OPA have been taken in an appropriate and timely manner; and

WHEREAS, the Agency has duly considered all of the terms and conditions of the proposed OPA and believes that the provision of financial assistance pursuant to the OPA is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW THEREFORE, the Inglewood Redevelopment Agency does hereby resolve follows:

Section 1. The Agency finds and determines that the above recitals are true and correct and incorporates them into this Resolution.

Section 2. The Agency finds and determines that, based upon substantial evidence provided in the record before it, the assistance that will be provided by the Agency pursuant to the terms and conditions of the OPA will benefit the Project Area, is in the best interest of the City and the health, safety, and welfare of its residents, will provide employment opportunities for the residents of the City, will eliminate blight within the Project Area by providing for the proper reuse and redevelopment of a portion of the Project Area that was declared blighted, and is necessary to effectuate the purpose of the Redevelopment Plan.

Section 3. The Agency hereby approves the OPA and all Exhibits attached thereto in substantially the form on file with the Agency Secretary. The Chairperson of the Agency is hereby authorized on behalf of the Agency to execute the OPA and the Executive Director is authorized to make revisions to the OPA, approved by Agency Counsel, which do not materially or substantially increase the Agency's obligations thereunder, to sign all documents, record any instruments, to make all approvals and take all actions necessary or appropriate to carry out and implement the OPA, and to administer the Agency's obligations, responsibilities and duties to be performed under the OPA.

Section 4. The Agency Secretary is hereby authorized and directed to attest the signature of the Chairperson of the Agency as may be required in connection with

the execution and delivery of the OPA in accordance with this Resolution. The members, officers, and agents of the Agency are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver the OPA and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution and the document herein approved and authorized to be executed.

Section 5. This resolution shall take effect on the Effective Date of the Development Agreement between the City of Inglewood and Hollywood Park Land Company, LLC as approved by City Ordinance No. 09-14.

Passed, approved and adopted this 8th day of July, 2009.

ROOSEVELT F. DORN
CHAIRMAN

ATTEST:

YVONNE HORTON
AGENCY SECRETARY

8.	Determination of Soil Conditions. Developer shall commence preliminary work to determine whether the soil conditions on the Site are suitable for the development thereon pursuant to Section 214 of the Agreement.	Within ninety (90) days after execution of the Agreement by City.
II.	PREDEVELOPMENT ACTIVITIES	
1.	Submission - Preliminary Subdivision Map. Developer shall commence and diligently attempt to obtain approval from the City of the Preliminary Subdivision Maps with respect to the Site.	Within ninety (90) days after City execution of the Agreement.
III.	CONVEYANCE AND CONSTRUCTION	
1.	Submission - Schematic/Design Development Drawings. Developer shall prepare and submit to City the Schematic/Design Development Drawings for the Site.	Within ninety (90) days after approval of the Basic Concept Drawings by the City.
2.	Approval – Schematic/Design Drawings. City shall approve or disapprove the Schematic//Design Development Drawings for the Site.	Within thirty (30) business days after receipt by City.
3.	Submission - Preliminary Construction Drawings, and Preliminary Landscaping and Grading Plans. Developer shall prepare and submit to City the Preliminary Construction Drawings and Preliminary Landscaping and Grading Plans for the Site.	Within sixty (60) days after City's approval of Schematic/Design Development Drawings for the Site.
4.	Approval - Preliminary Construction Drawings, and Preliminary Landscaping and Grading Plans. City shall approve or disapprove the Preliminary Construction Drawings and Preliminary Landscaping and Grading Plans for the Site.	Within thirty (30) days after receipt by City.

5.	Submission - 50% Final Construction Drawings and Landscaping and Finish Grading Plans. Developer shall prepare and submit to City 50% Final Construction Drawings and Landscaping and Finish Grading Plans for the Site.	Within forty-five (45) days after City approval of the Preliminary Construction Drawings.
6.	Approval - 50% Final Construction Drawings and Landscaping and Finish Grading Plans. City shall approve or disapprove the 50% Final Construction Drawings and Landscaping and Finish Grading Plans for the Site.	Within thirty (30) days after receipt by City.
7.	Submission - Final Construction Drawings and Landscaping and Finish Grading Plans. Developer shall prepare and submit the Final Construction Drawings and Specifications and the Final Landscaping and Finish Grading Plans for the Site.	Within sixty (60) days after City approval of the 50% Final Construction Drawings
8.	Approval - Final Construction Drawings and Landscaping and Finish Grading Plans. City shall approve or disapprove the Final Construction Drawings and Specifications and the Final Landscaping and Finish Grading Plans for the Site.	Within thirty days after receipt by City, but in any event prior to conveyance of title or possession of the Sales Parcel.
9.	Evidence of Financing. Developer shall submit to City Developer's first submission of evidence of financing referred to in Section 215 of the Agreement with respect to the Site.	At least sixty (60) days prior to the date established herein for the conveyance of title or possession of the Sales Parcel to Developer. Any additional submission shall be made within thirty (30) days following City written notice to Developer that an additional submission is required.

	Developer shall submit to City Developer's second submission of evidence of financing referred to in Section 215 of the Agreement with respect to the Site.	At least fifteen (15) days prior to the date established herein for the conveyance of title or possession of the Site to Developer. Any additional submission shall be made within thirty (30) days following City written notice to Developer that an additional submission is required.
10.	Approval of Financing. City shall approve or disapprove each submission of Developer's evidence of financing with respect to the Site, and shall so notify Developer.	With respect to the first submission, within ten (10) business days after receipt of such submission by City. With respect to the second submission, within five (5) business days following receipt of the submission by the City, but in any event prior to the conveyance of title or possession of the Site to the Developer.
11.	Opening of Escrow. City shall open an escrow for conveyance of the Sales Parcel.	At least thirty (30) days prior to the date established herein for conveyance of title or possession of the Sales Parcel to Developer.
12.	Conveyance of Title. City shall convey title and/or possession to Developer, and Developer shall accept such conveyance, with respect to the Sales Parcel.	Within ten (10) business days after City issuance of a final grading permit and approval of the Final Construction Drawings by the City, whichever is later.
13.	Commencement of Construction. Developer shall commence grading on the Site.	Within thirty (30) days after conveyance by the City of title and/or possession to Developer of the Sales Parcel and issuance of the necessary permits, but in no event longer than sixty (60) days following conveyance of title and possession of the Sales Parcel.
14.	Commencement of Construction of Public Improvements.	Concurrently with the commencement of construction as set forth above.

15.	Completion of Construction. Developer shall complete construction of the improvements on the Site.	Within twenty-four (24) months after conveyance of title or possession of the Sales Parcel to Developer.
16.	Tentative Subdivision Map. To the extent required by the City, Developer shall commence and diligently attempt to obtain approval from the City of the Tentative Subdivision Map for the development of the Site.	On or before the conveyance of the Sales Parcel to the Developer by the City.
17.	Final Subdivision Map. To the extent required by the City, Developer shall commence and diligently attempt to obtain approval from the City of the Final Subdivision Map for the development of the Site, which shall be recorded.	Prior to the issuance by the City of a Certificate of Occupancy for any use to be operated upon the Site, or any portion thereof.

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The "Site" is comprised of certain parcels of City-owned real property consisting of approximately 2.72 acres (the "Sales Parcel") and certain parcels of Developer-owned real property consisting of approximately 1.57 acres (the "Participating Parcel"), all of which located within the City of Inglewood. Both the Sales Parcel and the Participating Parcel are referred to herein as the "Site" The total size of the Site (or the combined size of the Sales Parcel and the Participating Parcel is approximately 4.29 acres. The Site is currently zoned as C-3 and M-1 and shall be developed by the Developer as an automobile sales and retail center (the "Project"). The Project consists of the development and redevelopment of certain improvements on land area of approximately 186,872 square feet (or about 4.29 acres) which will include an automobile sales and retail center for the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square fee and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto (collectively, the "Improvements"). All of the Improvements to be constructed and developed on the Site by the Developer shall be of high architectural quality, well landscaped, and effectively and aesthetically designed. The shape, scale, exterior design, and exterior finish of the improvements to be developed on the Site must be consonant with, visually as well as physically related to, and an enhancement to the adjacent residential neighborhood.

The Developer's plans, drawings and proposals submitted to the City for approval shall describe in reasonable detail the architectural character intended for the improvements. The total development of the Site shall be in conformity with the Redevelopment Plan. The provisions, design criteria, and property development standards set forth in this Scope of Development apply to the Site, except where specifically indicated otherwise.

II. DEVELOPER IMPROVEMENTS

A. General

The Developer shall develop on the Site as an approximately 186,872 square feet (or about 4.29 acres) of automobile sales and retail center as more specifically described above. However, notwithstanding anything contained herein to the contrary, should the Developer, despite its diligent and good faith efforts, not be able to obtain the necessary entitlements from the City to construct the approximate amount of square footage contemplated herein, the Developer shall construct on the Site the maximum amount of square footage permitted by the City. The Improvements to be developed on the Site shall be of high architectural quality with landscaped areas effectively and aesthetically

designed. The Improvements shall also be developed in accordance with all applicable zoning and other land use regulations.

B. Site Improvements

The Developer shall be responsible for construction of all site improvements listed below to the specifications and acceptance of the City consistent with the approved Basic Concept Drawings. The Improvements shall include, but not be limited to:

1. Site

   Landscaping and Irrigation system
   Earthwork (Preliminary and Finish Grading)
   Perimeter and interior fencing, if desired by the Developer

2. Sewer (On-Site) and Connections to the Sewer in the Public Right-of-Way

3. Water

   On-site fire protection mains and domestic service including meters and connection thereof to water lines in the public right-of-way, as required by the City.

4. Private Storm Drain System (On-Site), if an additional system is required by the City of Inglewood.

5. Utilities

   On-Site electric power, gas, telephone and other utility requirements of the development, and any extraordinary off-site utility requirements of the development.

All Improvements and related items shall be performed in accordance with all technical specifications, standards, and practices of the City of Inglewood along with all applicable building codes. The Developer's plans for such improvements shall be submitted to the City for review and approval (or disapproval) prior to advertising for bids.

C. Urban Design Standards, Controls and Restrictions

Standards, controls and restrictions regarding construction and development, including, but not limited to, maximum land coverage, setbacks and building construction shall be in accordance with applicable City Codes, as amended from time to time.

All on-site and off-site elements shall be subject to design review by the City in accordance with the procedures set forth in this Agreement. The Developer shall conform to the following standards of design in establishing the urban design concept, architectural and landscaping features for the Site.

The City's approval of the Final Construction Drawings and Landscaping and Finish Grading Plans shall be deemed to be an acknowledgment of compliance with the design standards and limitations contained in this Section C.

1. Architectural Standards

The architecture of all structures shall maintain a high quality of architectural design and establish visual continuity with existing and proposed developments within the Redevelopment Project area.

(a) Form and Scale

The structures on the Site shall combine a form and scale which are compatible with the adjoining land uses, and the street environment.

(b) Street Level Design

The facades as seen from the street shall be such that the shape, exterior design and exterior finish of the structures are consonant with and visually related to each other and compatible with any similar surrounding developments.

(c) Building Materials

Building materials of a high quality expressing the character of Inglewood's physical environment and climate shall be used in all buildings and structures developed on the Site. Other materials may also be considered, excluding corrugated aluminum and iron.

(d) Energy Considerations

Energy efficient features shall be incorporated into the design of the development including passive energy conservation methods. The Developer will be required to demonstrate consideration of energy features as a part of the design review process.

(e) Refuse Containers

Refuse containers shall be screened from public view with fencing and landscaping.

(f) Signs

All public signs on the exteriors of buildings and structures are of special concern to the City. All signs must be approved by the City and must comply with applicable City Codes.

(g) Outdoor Storage

No material, equipment, supplies or products shall be stored or permitted to remain outside on the Site unless prior written approval is obtained from the City. If any outdoor storage is allowed, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

(h) Graffiti

The Developer shall design the development so as to discourage graffiti problems, and to establish a maintenance program for graffiti removal if the development is subjected to graffiti. All graffiti on the Site shall be removed by the Developer within two (2) business days after application.

2. Siting and Land Use Standards

(a) Structure Locations

The location of the structures shall relate to and take advantage of the developments surrounding the Site. Special attention shall be placed on designing the structures so as not to have a negative impact on the area in general.

(b) Structure Heights

The height of all structures developed on the Site shall be in accordance with applicable City Codes.

(c) Noise

All buildings and structures on the Site shall be located so as to minimize the noise impact on adjacent areas. Loading facilities and other similar activities shall be designed with this concern in mind.

3. Streetscape Design Standards

(a) Landscaping

Developer shall provide and maintain landscaping within public rights-of-way between the property line of each building lot and the curb line of adjacent streets. All landscaping shall be integrated with the existing landscaping for adjacent sites in the Project Area and consistent with the requirements of applicable City Codes. Landscaping includes such materials as paving, trees, shrubs, and other plant materials, landscape containers, top soil, soil preparation, automatic irrigation, and landscape and pedestrian lighting.

Landscaping shall carry out the objectives and principles of the City's desire to accomplish an aesthetically pleasing environment.

(b) Vehicle Access

Driveways and parking lots shall be coordinated with the design of pedestrian access. Truck parking and loading shall be limited to the Site.

(c) Pedestrian Access

The Site shall be developed such that pedestrian access is provided to the Site.

(d) Utilities

The Developer shall be responsible for all on-site utility installations and connections necessary or appropriate to develop the Site. Such utilities shall include but not be limited to the bringing of sanitary sewers, curb inlets, certain channel connections and headwall (not the responsibility of the City), sewer mains, water mains, manholes, sewer laterals, water laterals, gate valves, fire hydrants, electrical power, water supply, telephone, and gas facilities, all as required by

the City and for the development of the Site by the Developer. All utility services shall be underground or concealed within buildings to the extent permitted by appropriate utility companies and utility districts. No mechanical equipment or meters shall be left exposed in yard areas or on roofs.

(e) Views

All Improvements shall be sited to minimize the impact of the buildings and structures on the views of existing structures surrounding the Site. Special attention shall be placed on minimizing the impact on the adjacent area.

(f) Building Coverage

Minimum building setbacks shall be in conformance with applicable City Codes and Basic Concept Drawings approved by the City.

(g) Open Space

The Site shall satisfy all open space requirements of the City of Inglewood for standard auto center and retail-related developments.

(h) Rooftops

Exposed duct work for heating and cooling and all mechanical equipment and other roof structures on all buildings and structures on the Site whose roof area is visible from surrounding structures or proposed structures, pedestrian ways, streets, etc., shall be screened from the direct view of such surrounding structures in a manner approved by the City. Nothing contained in this paragraph or the Agreement shall be construed to require Developer to install any air conditioning units, evaporative coolers or other cooling equipment.

(i) Parking Location

Except as otherwise provided herein, all parking for the development shall be located within the boundaries of the Site.

(j) Lighting

Street, parking lot and pedestrian lighting shall be provided in accordance with standards established by the City. All lighting shall be shaded so as to minimize the impact upon the adjacent area.

(k) Handicap Access

Developer shall design and construct all of the Improvements on the Site in compliance with all laws with respect to ingress and egress access ways for handicapped persons, as required by applicable codes.

(l) Public Improvement Repair

The Developer shall make all street repairs caused by the development of the Improvements on the Site. All such repairs shall be at the Developer's expense and shall be constructed in accordance with the technical specifications, standards, and practices of the City.

(m) Construction

During construction of the Improvements on the Site, the Developer shall take all reasonable precautions to minimize dust and disturbance to adjacent properties caused by such construction. The Developer shall work normal working hours in accordance with applicable City codes and regulations.

D. Removal and/or Remedy of Soil and/or Water Contamination

Following the conveyance of the Site to the Developer by the City and subject to remediation obligations of the City, if any, as provided in Section 212 of the Agreement, the Developer shall (at its own cost and expense) remove and/or otherwise remedy as required by all applicable laws, implementing rules and regulations, and in a manner sufficiently to adequately protect the public health and safety (including the health and safety of occupants of the Site and adjacent properties), any and all contaminated or hazardous soil and/or water conditions on the Site. Such work shall include without limitation the following:

a. Remove (and dispose of) and/or treat any contaminated soil and/or water on the Site (and adjacent public rights of way which the Developer is required to improve) as necessary to comply with applicable governmental standards and requirements.

b. Design and construct all improvements on the Site in a manner which will assure protection of occupants and all improvements from any contamination, whether in vapor or other form, and/or from the direct and indirect effects thereof.

c. Prepare a site safety plan and submit it to the appropriate governmental and other authorities for approval in connection with obtaining a building permit for the construction of improvements on the Site. Such site safety plan shall assure workers and other visitors to the Site of protection from any health and safety hazards during development and construction of the improvements. Such site safety plan shall include monitoring and appropriate protective action against vapors and/or the effect thereof.

d. Obtain from the County of Los Angeles and/or California Regional Water Quality Control Board and/or any other authorities required by law any permits or other approvals required in connection with the removal and/or remedy of soil and/or water contamination, in connection with the development and construction on the Site.

The Developer agrees that the City, and its consultants and agents, shall have the right (but not the obligation) to enter upon the Site at any time to monitor the excavation and construction on the Site and each parcel thereof, to test the soils and/or water on the Site, and to take such other actions as may be reasonably necessary to assure compliance with this Section D of the Scope of Development (Attachment No. 4). Nothing herein (including without limitation the City's right to inspect) shall be construed to make the City or its officers, employees, contractors and agents liable for the responsibilities under Section 216 of the Disposition and Development Agreement (the "Agreement") and this Section D. However, notwithstanding the foregoing sentence, in no event shall the above sentence be construed by any of the parties to the Agreement so as to preclude the Developer from asserting any rights or claims it may have against any prior owner of the Site (other than the City) relative to the clean-up and/or remediation of any hazardous material on the Site pursuant to this Section D and Section 216 of the Agreement.

E. Equal Opportunity Program

a. Non-discrimination Clause

The Developer shall not discriminate against any employee or applicant for employment on any basis prohibited by law. The Developer shall provide equal opportunity in all employment practices. The Developer shall ensure

that their subcontractors comply with the City of Inglewood's "Equal Employment Opportunity Program" as set forth in the City of Inglewood Municipal Code.

b. Equal Employment Opportunity

The Developer has received, read, understands and agrees to be bound by the "Equal Employment Opportunity Program and all policies and procedures implementing the Program, contained in the Equal Employment Opportunity Packet provided by the City.

c. The Developer acknowledges receipt of the Employment and Training Requirements attached to the Agreement as Attachment No. 6.

III. DEVELOPER PUBLIC IMPROVEMENTS

The Developer shall be responsible for the financing and constructing of all of the on-site and off-site public improvements necessary for the development of the Improvements on the Site (the APublic Improvements@). The Public Improvements shall be constructed and developed in accordance with plans reviewed and approved by the City and the City, as appropriate.

IV. CITY OBLIGATIONS

The City shall have no obligation (financially or otherwise) with respect to the construction and development of the Improvements on the Site.

V. EASEMENTS

The City and the Developer shall grant and permit all necessary and appropriate easements and rights for the development of the Site including, but not limited to, easements and rights of vehicular access, pedestrian access and all utility services on such terms and conditions as City and Developer may agree.

VII. ENVIRONMENTAL REVIEW

The City shall be responsible for causing the preparation of all environmental review and documents necessary for the development of the Site. In addition, the City shall be responsible for certification of any environmental documents in connection with the approval of the development provided for herein. However, notwithstanding the foregoing, the Developer shall be responsible for the payment of all such environmental costs and shall also be responsible for preparing any and all supplemental environmental documents required to carry out the Agreement subsequent to the approval of the Final Map for the development of the Site. The Developer agrees to cooperate with

the City in the preparation of any such environmental and/or environmental-related documents and shall fully comply with all mitigation measures set forth therein.

EXHIBIT 1

SITE PLAN
[To be Added]

Attachment No. 4

ATTACHMENT NO. 5

Recording Requested by:

CITY OF INGLEWOOD

When Recorded Return to and
Mail Tax Statements to:

SPACE ABOVE THIS LINE FOR RECORDING USE

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged the CITY OF INGLEWOOD, the State of California, herein called "Grantor," acting to carry out the Redevelopment Plan for the Merged Inglewood Redevelopment Project Area (La Cienega Sub-area) (the "Project Area") herein called "Redevelopment Plan," under the Community Redevelopment Law of the State of California, hereby grants to K.P. AUTO CENTER, L.P., a California Limited Partnership, herein called "Grantee," the real property hereinafter referred to as the "Property," described in the document attached hereto, labeled Exhibit "A" and incorporated herein by this reference.

(1) Grantor excepts and reserves any existing street, proposed street, or portion of any street or proposed street lying outside the boundaries of the Property which might otherwise pass with a conveyance of the Property.

(2) Said Property is conveyed in accordance with and subject to the Redevelopment Plan for the Merged Inglewood Redevelopment Project which was approved and adopted on February 26, 2002 by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 of the City Council of the City of Inglewood, and the Disposition and Development Agreement (the "Agreement") entered into by and between Grantor and Grantee on _____, both of which documents are public records on file in the offices of the City Clerk of the City of Inglewood and the Secretary of Grantor, and are by reference thereto incorporated herein as though fully set forth herein.

(3) The Property is conveyed to Grantee at a purchase price herein called "Purchase Price," determined in accordance with the uses permitted. Therefore, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

(a) The Property shall be devoted only to the development permitted and the uses specified in the applicable provisions of the Redevelopment Plan and this Grant Deed, whichever document is more restrictive.

(b) There shall be constructed upon the Property and the contiguous real property hereinbelow described in paragraph (3)(d), approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square fee and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto (the "Improvements"), all in accordance with plans and specifications prepared by the Grantee and approved by the Grantor.

(c) During construction and thereafter, Grantee shall maintain the improvements on the Property and in the public rights-of-way (curb to property line) on all sides of the Property and shall keep the Property and such public rights-of-way free from any accumulation of debris or' waste materials. During construction and thereafter, Grantee shall also maintain the required landscaping on the Property and in such public rights-of-way in a healthy condition.

(d) The Property shall only be developed and used as specifically set forth herein and in conjunction with that certain contiguous real property presently owned by the Grantee in the City of Inglewood, County of Los Angeles, State of California legally described in the attached Exhibit "B" However, notwithstanding anything contained in this Grant Deed to the contrary, the development and use restrictions established by this Paragraph 3(d) shall remain in effect during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance by Grantor to Grantee of the Release of Construction Covenants provided for in Section 324 of the Agreement, whichever is sooner.

(e) Grantee and all persons claiming under or through them, including without limitation tenants, lessees, subtenants, sublessees and any other operator of a business on the Property, or any portion thereof, shall comply with the Employment and Training Requirements (the "Job Training Program") which attached to the Agreement as Attachment No. 6 and fully incorporated herein by this reference.

(f) Grantee shall not store any materials, equipment, supplies or products outside the buildings and structures developed on the Property unless prior written approval is obtained from the City. If any outdoor storage is approved, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

The Property is also conveyed to Grantee by virtue of substantial public aids that have been made available by law for the specific purpose of redeveloping the Property (and the contiguous real property referred to in paragraph (3) (d) above), including without

limitation the use and/or pledge of expected receipts of ad valorem property tax revenues allocated to the City pursuant to Article XVI, Section 16 of the California Constitution and Health & Safety Code §§ 33670 et seq. Therefore, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee, such successors and such assigns, shall not, during the effectiveness of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the Grantor to the Grantee pursuant to Section 324 of the Agreement, whichever is longer: (i) remove the Property or any portion thereof, from the Los Angeles County tax Roll; or (ii) contest the validity or the amount, in part or in full, whether by property tax assessment appeal or otherwise, of any property tax assessment imposed upon the Property (or any interest therein) by the Los Angeles County Assessor or other official responsible for such assessments, which is the basis for property taxes which it is obligated to pay in connection with its ownership of any interest in the Property, and which contest would result in a property tax assessment applicable to any parcel comprising the Property and/or the contiguous real property referred to in paragraph (3)(d) above.

(4) Prior to the recordation of a Release of Construction Covenants issued by Grantor for the improvements to be constructed on the Property or on any part thereof:

(a) Grantee shall not make any sale, transfer, conveyance or assignment of the Property or any part thereof, or the buildings or structures thereon, without the prior written approval of Grantor, except as expressly permitted by the Agreement. In the event that Grantee does sell, transfer, convey or assign any part of the Property or buildings or structures thereon, prior to the recordation of a Release of Construction Covenants, in violation of this Grant Deed, Grantor shall be entitled to increase the Purchase Price paid by Grantee for the Property by the amount that the consideration payable for such sale, transfer, conveyance or assignment is in excess of the Purchase Price paid by Grantee, and the cost of improvements and development theretofore made to the Property and the contiguous real property, including carrying charges and costs related thereto. The consideration payable for such sale, transfer, conveyance or assignment to the extent it is in excess of the amount so authorized shall belong and be paid to Grantor and until paid Grantor shall have a lien on the Property and any part involved for such amount. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, nor shall it prohibit granting any security interests permitted by paragraph (4) (b) of this Grant Deed for financing the acquisition and development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

(b) However, notwithstanding anything to the contrary, in the event that any such sale, transfer, conveyance or assignment of the Property or any part thereof or the buildings or structures thereon results in the removal of the Property or any portion thereof, from the Los Angeles County Property Tax Roll as set forth above in Paragraph 3 and more specifically described in Section 708 of the Agreement, the Grantee and/or its successors-in-interest shall pay the Additional Purchase Price to the Grantor with respect to either the Property or the applicable portion thereof, upon the close of escrow regarding such sale and in the amount set forth in Exhibit C which is attached hereto and fully incorporated herein by this reference. Until paid, the Grantor shall have a lien on the Property or the applicable portion

thereof, in the amount of the Additional Purchase Price. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, entry by Grantee into or exercise of its rights under spaces leased within improvements on the Property nor shall it prohibit granting any security interests permitted by paragraph 4(b) of this Grant Deed for financing the acquisition and development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

(c) Grantee shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, conveyances and leases back or any other form of conveyance required for any reasonable method of financing of the acquisition of the Property and the contiguous real property referred to in paragraph (3)(d) above, the construction of improvements on the Property and the contiguous real property, and any other expenditures necessary and appropriate to develop the Property and the contiguous real property as permitted by the Agreement. Grantee shall notify Grantor in advance of any such conveyance for financing if Grantee proposes to enter into the same prior to recordation of a Release of Construction Covenants for the improvements to be constructed on the Property and the contiguous real property. Grantee shall not enter into any such conveyance for financing without prior written approval of Grantor, which approval Grantor agrees to give if any such conveyance is to a responsible financial or lending institution or other acceptable person or entity.

(5) Prior to the recordation of a Release of Construction Covenants issued by Grantor for the improvements to be constructed on' the Property or on any part thereof:

(a) Grantor shall have the right at its option to reenter and take possession of the Property hereby conveyed (or portion thereof) with all improvements thereon, and to terminate and rivets in Grantor the Property hereby conveyed (or portion thereof) to Grantee if Grantee (or its successors in interest) shall:

(i) Fail to commence construction of the improvements on the Property and/or the contiguous real property referred to in paragraph (3)(d) above, as required by the Schedule of Performance (Attachment No. 3) of the Agreement provided that Grantee shall not have obtained an extension or postponement from Grantor; or

(ii) Abandon or substantially suspend construction of the improvements on the Property and/or the contiguous' real property referred to in paragraph (3) (d) above, for a continuous period of three (3) consecutive months after written notice of such abandonment or suspension from Grantor, provided that Grantee shall not have obtained an extension or postponement to which Grantee may be entitled pursuant to the Agreement; or

(iii) Assign or purport to assign the Agreement, or any rights therein, or transfer, or suffer any involuntary transfer of, the Property, or the contiguous real property referred to in paragraph (3)(d) above, or any part 'thereof, in violation of this Grant Deed, and such violation shall not be cured within thirty

(30) days after the date of the receipt of written notice thereof by Grantor to Grantee.

(b) The right to reenter, repossess, terminate and revest, and the provisions below regarding the application of proceeds, shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(i) Any mortgage or deed of trust or other security interest permitted by paragraph (4)(b) of this Grant Deed; or

(ii) Any rights or interests provided for the protection of the holders of such mortgages, deeds of trust, or other security interests.

(c) The right to reenter, repossess, terminate and revest shall not apply to the Property, or portions thereof, for which a Release of Construction Covenant has been issued by Grantor and recorded,

(d) Subject to the rights of holders of security interests as stated in this paragraph (5), in the event title to the Property or any part thereof is revested in Grantor as provided in this paragraph (5), Grantor shall, pursuant to its responsibilities under state law, use its diligent and good faith efforts to resell the Property or such part thereof as soon and in such manner as Grantor shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified party or parties (as determined by Grantor) who will assume the obligation of making or completing the improvements or such other improvements in their stead as shall be satisfactory to Grantor and in accordance with the uses specified for such Property or part thereof in the Redevelopment Plan. Upon such resale of the Property and satisfaction of obligations owed to the holder of any mortgage, deed of trust or other security interest authorized by the Agreement, the proceeds thereof shall be applied:

(i) First, to reimburse Grantor, on its own behalf or on behalf of the City of Inglewood for all substantiated costs and expenses incurred by Grantor, including but not limited to salaries to personnel engaged in such action, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by Grantor from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges, if any and if applicable, with respect' to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership thereof by Grantor, then such taxes, assessments, or charges, as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing to Grantor by Grantee and its successor or transferee; and

(ii) Second, to reimburse Grantee, its successor or transferee, up to the amount equal to: the sum of (1) the Purchase Price paid to Grantor by Grantee for the Property (or allocable to the part thereof), and (2) the costs incurred for the development of the Property (or such part thereof) and for the improvements existing thereon at the time of reentry and repossession; less (3) any gain or income withdrawn or made by Grantee from the Property (or such part thereof) or from the improvements thereon. For purposes of this paragraph the term "cost incurred" shall include direct, out-of-pocket expenses of development, but shall exclude Grantee's general overhead expense.

(iii) Any balance remaining after such reimbursements shall be a retained by Grantor as its property.

(e) To the extent that this right of reverter involves a forfeiture, it must be strictly interpreted against Grantor, the party for whose benefit it is created. This right is to be interpreted in light of the fact that Grantor hereby conveys the Property to Grantee for development and not for speculation in undeveloped land.

(6) Grantee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed,, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

(7) All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices' of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation, of any person or group of persons, on account of sex, sexual orientation,

marital status, race, color, creed,- religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

(8) All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors, and assigns, and the City of Inglewood and its successors and assigns, against Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

(9) The conditions contained in Paragraphs (4)(a),4(c) and (5) of this Grant Deed, and all rights and obligations under the Agreement referred to in Paragraph. (2) hereof, shall terminate and become null and void upon recordation of a Release of Construction Covenant issued by Grantor for the Property or the applicable portion thereof. Except as otherwise set forth, every covenant, condition and restriction contained in this Grant Deed shall remain in effect during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the Grantor to Grantee pursuant to Section 324 of the Agreement, whichever is longer, at which time they shall terminate and become null and void. The covenants against removing the Property from the Los Angeles Tax Roll or contesting any property tax assessments imposed upon the Property shall remain in effect for the period of time set forth in the second full paragraph of paragraph (3) of this Grant Deed during which time, property taxes are allocated under the Redevelopment Plan pursuant to Section 33670. The covenants against discrimination set forth in paragraphs (6) and (7) of this Grant Deed shall remain in perpetuity.

(10) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of Grantor, and such covenants shall run in favor of Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

(11) No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by paragraph (4) (b) of this Grant Deed; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

(12) None of the terms, covenants, agreements or conditions heretofore agreed upon in writing in other instructions between the parties to this Grant Deed with respect to obligations to be performed, kept or observed by Grantee or Grantor in respect to said Property or any part thereof after this conveyance of said Property shall be deemed to be merged with this Grant Deed until such time as a Release of Construction Covenant issued by Grantor is recorded for the Property conveyed hereby or such part thereof.

(13) The covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, except for the covenant and condition contained in paragraph (5) of this Grant Deed.

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this _____day of _____, 2012.

Grantor:

CITY OF INGLEWOOD
(City)

By: _____
Mayor

Koper-DDA-At5
1/8/12
Final

GRANTEE ACCEPTANCE

The Grantee hereby accepts the written deed, subject to all of the matters hereinbefore set forth.

Grantee-Developer:

K.P. AUTO CENTER, L.P.,
a California Limited Partnership
(Developer)

By: Koper Car Corporation,
a California corporation
(General Partner)

By: _____
Michael Koper,
President

Koper-DDA-At5
1/8/12
Final

Exhibit A

LEGAL DESCRIPTION

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

PARCEL 1:

THE WEST 50 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:

THE EAST 50 FEET OF THE WEST 100 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-901

PARCEL 3:

THE EAST 41 FEET OF THE WEST 141 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-902

PARCEL 4:

LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:

LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:

THE NORTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF

EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:

THE SOUTH 55 FEET OF LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:

THE NORTH 55 FEET OF LOT 38 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-906

PARCEL 9:

THE SOUTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-909

Exhibit B

DESCRIPTION OF PROPERTY

PARCEL 1:

LOTS 4 AND 17 EXCEPT FROM SAID LOT 17 THE SOUTH 150 FEET THEREOF, OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 32 AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 32, IN TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THE SOUTH 150 FEET OF LOT 17 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 32, IN TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, AS PER MAP RECORDED IN BOOK 36 PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMONLY KNOWN AS 308-324 HINDRY, INGLEWOOD, CA
APN: 4126-008-005, -006, and -007

Exhibit "C"

ADDITIONAL PURCHASE PRICE CALCULATION

Year	Required Payoff
1	$134,619
2	$134,831
3	$134,898
4	$134,809
5	$134,552
6	$134,111
7	$133,474
8	$132,624
9	$131,547
10	$130,224
11	$128,638
12	$126,768
13	$124,595
14	$122,095
15	$119,246
16	$116,024
17	$112,400
18	$108,346
19	$103,834
20	$98,830
21	$93,302
22	$87,212
23	$80,524
24	$73,195
25	$65,184
26	$56,444
27	$46,927
28	$36,581
29	$25,350
30	$13,177

ATTACHMENT NO. 6

EMPLOYMENT AND TRAINING REQUIREMENTS

In cooperation with the City of Inglewood Redevelopment Agency, Employment Development Department, Workforce Investment Act Program and other City agencies, the Developer shall aid in the creation and development of a specialized job recruitment and training program in order to provide employment opportunities to Inglewood residents. The program shall maximize the availability and accessibility of employment in connection with the construction of the improvements on the Property and their subsequent operation. It shall be the goal of the Developer to award at least 30% of the construction work to minority contractors (reflecting the makeup of the Inglewood Community) with at least 50% of the 30% being awarded to local qualified Inglewood businesses. Furthermore, it shall be the goal of the Developer to maximize employment opportunities for the residents of Inglewood by extending reasonable preferences to such residents for employment opportunities created by the development with the overall goal of employing qualified Inglewood residents in a minimum of 35% of the jobs created. Special emphasis shall be placed on the creation of a partnership between the Developer, tenants of the project, and the City of Inglewood as the principal resources to achieve the aforestated goal.

The Developer shall initiate the following actions/activities:

a) The development of an overall employment plan which will identify the types of jobs to be created and salary levels for the positions. The Developer shall develop specific contract language to be included in the contracts of prime, subcontractors and tenants requiring their active participation and cooperation in the attainment of the goals stated above. The Developer, with the assistance of the Redevelopment Agency and City Departments, shall develop recruitment materials which will enable it to solicit participation from local business in the development of this project;

b) The Developer shall require all tenants of the development

to develop employment plans, which shall specifically address their employment needs and identifies the positions which will be targeted to attain the employment goals stated above. The Developer shall work closely with the State of California's Employment and Development Department and Workforce Investment Act Program, to develop training programs to meet the employment needs of the tenants and/or to recruit potential employees from available labor pools that meet the employment criteria established by the tenants;

c) The Developer shall establish a timetable that projects when particular phases of the project will be completed and estimate when recruitment efforts for new jobs will be initiated;

d) The Developer shall support the recruitment efforts in order to achieve the local hiring goals established in overall and tenant specific employment plans including all publicity efforts;

e) The Developer shall participate in the ongoing local planning efforts of the State of California's Employment Development Department and Workforce Investment Act Program. This participation may take the form of membership in the South Bay Work Force Investment Board or other formal advisory bodies that assist in program design as seen fit by the Developer and the City.

The Redevelopment Agency/City shall initiate the following actions/activities:

a) The Redevelopment Agency/City shall work the Developer to develop training and recruitment programs to provide a qualified pool of Inglewood applicants who shall be provided reasonable preferences for employment positions created in connection with this development;

b) The Redevelopment Agency/City shall work with the Developer to develop training and recruitment materials which will be used to solicit participation on the part of the minority business community in the development of this project. The Redevelopment Agency/City shall work

with the needs identified by the tenants for the development to create a trained labor pool which exceeds, at a minimum, 10% of the required number of positions available for employment;

c) The Redevelopment Agency/City shall provide its list of minority contractors to the Developer which, to the greatest extent possible, shall be used, in conjunction with other resources, to solicit qualified contractors to work on this project.

d) The Redevelopment Agency/City, will, if necessary, conduct job fairs or other recruitment efforts, in conjunction with the Developer, to make sure that every conceivable effort is generated to attract the required qualified labor pool to assist in the attainment of the goals of this Agreement.

AUDIT AND COMPLIANCE

The Developer shall annually review its employment plan (i.e., Affirmative Action Plan) and make the necessary changes to improve its management and implementation. The City of Inglewood may perform unannounced visits to the site to verify information contained in the Developer's employment plan and to ensure that the requirements of the plan are being met. The Developer shall comply with the specific reporting requirements of the City of Inglewood. The audit and review system will include the following component:

1) The Developer will keep such records as are necessary to determine compliance with, and progress under the Affirmative Action Plan. These records will be designed to indicate (1) the number of minority subcontractors working on the development and (2) the progress being made in securing the services of minority group subcontractors.

ATTACHMENT NO. 7

Recording Requested by:

CITY OF INGLEWOOD

When Recorded Return to:

One Manchester Boulevard
Inglewood, California 90301
Attn: Redevelopment Manager

SPACE ABOVE THIS LINE FOR RECORDING USE

AGREMEENT CONTAINING COVENANTS AFFECTING REAL PROPERTY

THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (the "Agreement") is entered into this _____ day of _____, 2012, by and between the CITY OF INGLEWOOD, (hereinafter referred to as "City") and K.P. AUTO CENTER, L.P., a California limited partnership (hereinafter referred to as "Developer") with reference to the following:

A. Developer is the present owner of that certain real property consisting of approximately 1.57 acres (the "Property") located in the City of Inglewood, County of Los Angeles, State of California and legally described in the Exhibit "A" attached hereto and fully incorporated herein by this reference.

B. The Property is also located within the Merged Inglewood Redevelopment Project area (the "Project Area") of the City of Inglewood and subject to the provisions of the Redevelopment Plan for the Project Area adopted by Ordinance Nos. 02-07, 02-08, 02-09, and 02-10 on February 26, 2002 by the City Council of the City of Inglewood.

C. This Agreement is entered into and recorded in accordance with the Redevelopment Plan and pursuant to the terms and provisions of that certain "Disposition and Development Agreement" entered into by and between City and Developer on _____, 2012 (the "DDA").

NOW, THEREFORE, CITY AND DEVELOPER AGREE AS FOLLOWS:

1. Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that the Property shall be developed and used in accordance with the Redevelopment Plan and pursuant to the terms and provisions of the DDA.

2. Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

a The Property shall be devoted only to the development permitted and the uses specified in the applicable provisions of the Redevelopment Plan and this Agreement to be Recorded Affecting Real Property, whichever document is more restrictive.

b. There shall be constructed upon the Property and the contiguous real property hereinbelow described in paragraph 2.d., approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square fee and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto (the "Improvements"), all in accordance with plans and specifications prepared by the Developer and approved by the City and City of Inglewood.

c. During construction and thereafter, Developer shall maintain the improvements on the Property and in the public rights-of-way (curb to property line) on all sides of the Property, and shall keep the Property and such public rights-of-way free from any accumulation of debris or waste materials. During construction and thereafter, Developer shall also maintain the required landscaping on the Property and in such public rights-of-way in a healthy condition.

d. The Property shall only be used as herein provided in conjunction with that certain contiguous real property (the "Sales Parcel") conveyed to the Developer by the City pursuant to the terms of the DDA, located in the City of Inglewood, County of Los Angeles, State of California legally described in the attached Exhibit "B". However, notwithstanding anything contained in this Covenant Agreement to the contrary, the development and use restrictions established in this Paragraph 3(d) shall remain in effect throughout the duration of the Redevelopment Plan, as it may be amended or five (5) years following the issuance by the City of a Release of Construction Covenants provided for in Section 324 of the DDA, whichever is sooner. Both the Property and the Sales Parcel is sometimes collectively, referred to herein as the "Site.

e. Grantee and all persons claiming under or through them, including without limitation tenants, lessees, subtenants, sublessees and any other operator of a business on the Property, or any portion thereof, shall comply with the Employment and Training Requirements (the "Job Training Program") which attached to the DDA as Attachment No. 6 and fully incorporated herein by this reference.

f. Grantee shall not store any materials, equipment, supplies or products outside the buildings and structures developed on the Property unless

prior written approval is obtained from the City. If any outdoor storage is approved, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

The Sales Parcel is conveyed to the Developer by virtue of and in accordance with the substantial public aids that have been made available by law for the purpose of redeveloping the Site including without limitation the use and/or pledge of expected receipts of ad valorem property tax revenues allocated to the City pursuant to Article XVI, Section 16 of the California Constitution and Health & Safety Code §§ 33670 et seq. (the "CRL") Therefore, Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall not during the effectiveness of the Redevelopment Plan, as it may be amended, or five (5) years following the issuance of the Release of Construction Covenants by the City to Developer pursuant to Section 324 of the DDA, whichever is sooner: (i) remove the Property or any portion thereof, from the Los Angeles County Tax Roll ; or (ii) contest the validity or the amount, in part or in full, whether by property tax assessment appeal or otherwise, of any property tax assessment imposed upon the Property (or any interest therein) by the Los Angeles County Assessor or other official responsible for such assessments, which is the basis for property taxes which it is obligated to pay in connection with its ownership of any interest in the Property, and which contest would result in a property tax assessment applicable to any parcel comprising the Property and the contiguous real property referred to in paragraph 2.d. above.

3. Prior to the recordation of a Release of Construction Covenants issued by City for the improvements to be constructed on the Property or on any part thereof:

a. Developer shall not make any sale, transfer, conveyance or assignment of the Property or any part thereof, or the buildings or structures thereon, without the prior written approval of the City, except as expressly permitted by the DDA. In the event that Developer does sell, transfer, convey or assign any part of the Property or buildings or structures thereon, prior to the recordation of a Release of Construction Covenants, in violation of the DDA or this Agreement. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, nor shall it prohibit granting any proposed and/or proposed lease agreements permitted by the DDA and/or security interests permitted by paragraph (3)(c) of this Agreement for financing the development of the Property.

b. However, notwithstanding anything to the contrary, in the event that any such sale, transfer, conveyance or assignment of the Property or any part thereof or the buildings or structures thereon results in the removal of the Property or any portion thereof, from the Los Angeles County Property Tax Roll as set forth above in Paragraph 2 and more specifically described in Section 708 of the DDA and requires the payment of an Additional Purchase Price referred to in Paragraph (2)(d) above (sometimes referred to herein as the "Sales Parcel"), pursuant to the requirements of Section 708 of the DDA, the Developer and/or its successors-in-interest shall pay the Additional Purchase Price to the City with respect to either the Property or the applicable portion thereof, upon the close of escrow regarding such sale and in the amount set forth in Exhibit C which is attached hereto and fully incorporated herein by this reference. Until paid, the Grantor shall have a lien on the Property

or the applicable portion thereof, in the amount of the Additional Purchase Price. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, entry by Grantee into or exercise of its rights under spaces leased within improvements on the Property nor shall it prohibit granting any security interests permitted by paragraph 3(c) of this Agreement for financing the acquisition and/or development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

c. Except as otherwise approved by the City, Developer shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, conveyances and leases back or any other form of conveyance required for any reasonable method of financing of the acquisition and/or development of the Property and the contiguous real property referred to in paragraph (3)(d) above, the construction of improvements on the Property and the contiguous real property, and any other expenditures necessary and appropriate to develop the Property and the contiguous real property as permitted by the DDA. Developer shall notify the City in advance of any such conveyance for financing if Developer proposes to enter into the same prior to recordation of a Release of Construction Covenants for the improvements to be constructed on the Property and the contiguous real property. Developer shall not enter into any such conveyance for financing without prior written approval of the City, which approval the City agrees to give if any such conveyance is to a responsible financial or lending institution or other acceptable person or entity.

4. Developer covenants and agrees for' itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Developer itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

5. All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion., national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

6. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, it's successors and assigns, and the City of Inglewood and its successors and assigns, against Developer, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

7. Except as otherwise set forth hereinbelow, every covenant and condition and restriction contained in this Agreement shall remain in effect for the duration of the Redevelopment Plan, as it may be extended, or five years following this issuance of the Release of Construction Covenants as set forth in Section 324 of the DDA, whichever is sooner, at which time said covenants and conditions become null and void. The covenant against contesting any property tax assessment imposed upon the Property shall remain in effect for the period of time set forth in the second full paragraph of Paragraph 2 of this Agreement during which time property taxes are allocated pursuant to the Redevelopment Plan and Section 33670 of the CRL. The covenants against discrimination set forth in Paragraphs 4 and 5 of this Agreement shall remain in perpetuity.

8. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of- protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of City and such covenants shall run in favor of City for the entire period during which such covenants shall be in force and effect, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or

other proper proceedings to enforce the curing of such breach of agreement or covenant.

IN WITNESS WHEREOF, City and Developer have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this _____ day of _____, 2012.

CITY OF INGLEWOOD
(City)

By: _____
Mayor

K.P. AUTO CENTER, L.P.,
a California Limited Partnership
(Developer)

By: Koper Car Corporation,
a California corporation
(General Partner)

By: _____
Michael Koper
President

APPROVED AS TO FORM AND
LEGALITY ON THIS _____
day of _____, 2012.

CAL P. SAUNDERS
City Attorney

By:_____
Cal P. Saunders

Koper-DDA-At 7
1/8/12
Final

APPROVED:

KANE, BALLMER AND BERKMAN
Special Counsel

By:_____
Royce K. Jones

ATTEST:

CITY CLERK

By:_____
Yvonne Horton

Exhibit "A" to Agreement Containing Covenants Affecting Real Property between the City of Inglewood and K.P. Auto Center, L.P.

DESCRIPTION OF PROPERTY

EXHIBIT "A"

PARCEL 1:

LOTS 4 AND 17 EXCEPT FROM SAID LOT 17 THE SOUTH 150 FEET THEREOF, OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 32 AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 32, IN TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THE SOUTH 150 FEET OF LOT 17 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 32, IN TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, AS PER MAP RECORDED IN BOOK 36 PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMONLY KNOWN AS 308-324 HINDRY, INGLEWOOD, CA
APN: 4126-008-005, -006, and -007

Exhibit "B" to Agreement Containing Covenants Affecting Real Property between the City of Inglewood and K.P. Auto Center, L.P.

DESCRIPTION OF CONTIGUOUS PROPERTY

the "Sales Parcel"
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE WEST 50 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:

THE EAST 50 FEET OF THE WEST 100 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-901

PARCEL 3:

THE EAST 41 FEET OF THE WEST 141 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-902

PARCEL 4:

LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:

LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:

THE NORTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:

THE SOUTH 55 FEET OF LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE

COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:

THE NORTH 55 FEET OF LOT 38 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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PARCEL 9:

THE SOUTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-909

[COMMONLY KNOWN AS 912-920 OLIVE, INGLEWOOD, CA
APN: 4126008901, 902, 904-909.]

Exhibit "C" to Agreement Containing Covenants Affecting Real Property between the City of Inglewood and K.P. Auto Center, L.P.

ADDITIONAL PURCHASE PRICE CALCULATION

Year	Required Payoff
1	$134,619
2	$134,831
3	$134,898
4	$134,809
5	$134,552
6	$134,111
7	$133,474
8	$132,624
9	$131,547
10	$130,224
11	$128,638
12	$126,768
13	$124,595
14	$122,095
15	$119,246
16	$116,024
17	$112,400
18	$108,346
19	$103,834
20	$98,830
21	$93,302
22	$87,212
23	$80,524
24	$73,195
25	$65,184
26	$56,444
27	$46,927
28	$36,581
29	$25,350
30	$13,177

ATTACHMENT NO. 8

RELEASE OF CONSTRUCTION COVENANTS

When Recorded Return to:

CITY OF INGLEWOOD
Economic Development Department
One Manchester Boulevard
Inglewood, CA 90301
Attn: Executive Director

SPACE ABOVE THIS LINE FOR RECORDING USE

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

RELEASE OF CONSTRUCTION COVENANTS

WHEREAS, K.P. AUTO CENTER, L.P., a California Limited Partnership (the "**Developer**") is the owner of that certain real property situated in the City of Inglewood, California described in Exhibit "A" which is attached hereto and made a part hereof (the "**Property**"), and has agreed to construct the improvements thereon (the "**Improvements**"); and

WHEREAS, the Agreement Containing Covenants Affecting Real Property entered into by and between the City of Inglewood (the "**City**") and the Developer and recorded in the Official Records of Los Angeles County, California on _____, 2011 as Instrument No. _____ (the "**Agreement Containing Covenants**") obligates the Developer and its successors or assigns to construct the Improvements in accordance with the Disposition and Development Agreement ("**DDA**") dated as of _____ __, 2011 by and between the City and the Developer.

WHEREAS, pursuant to the DDA, the City has agreed to furnish the Developer with a Release of Construction Covenants ("**Release**") upon the completion of the construction of the Improvements, and such Release is to be in such form as to permit it to be recorded in the Official Records of Los Angeles County; and

WHEREAS, the DDA states that the Release shall be conclusive determination of satisfactory completion of the construction of the Improvements as required by the DDA; and

WHEREAS, the City has determined that the construction of the Improvements on the Property as required by the DDA has been satisfactorily completed by Developer.

NOW THEREFORE, it is hereby acknowledged and agreed by the parties hereto that:

1. The City hereby certifies that the construction of the Improvements on the Property has been fully and satisfactorily performed and completed as required by the DDA and the Agreement Containing Covenants.

2. Nothing contained in this instrument shall modify any provisions of the DDA or the Agreement Containing Covenants.

3. This Release shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the DDA requiring the Developer, and its successors and assigns, to construct the improvements and the dates for the beginning and completion thereof.

"CITY"
City of Inglewood

Date: _____

By: _____
James T. Butts, Jr.
Mayor

ATTEST:

By: _____
Yvonne Horton
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
CITY ATTORNEY

By: _____
Cal P. Saunders

KOPER – Release At8
1-8-12
Final

APPROVED

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

KOPER – Release At8
1-8-12
Final

Exhibit A

LEGAL DESCRIPTION

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

PARCEL 1:

THE WEST 50 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:

THE EAST 50 FEET OF THE WEST 100 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-901

PARCEL 3:

THE EAST 41 FEET OF THE WEST 141 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-902

PARCEL 4:

EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:

THE SOUTH 55 FEET OF LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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PARCEL 8:

THE NORTH 55 FEET OF LOT 38 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-906

LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:

LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:

THE NORTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF

PARCEL 9:

THE SOUTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-909

CALIFORNIA ACKNOWLEDGEMENT

State of California

County of _____)

On _____ before me, _____

(insert name and title of the officer)

personally appeared_____,

_____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)**

12-024

CITY'S ORIGINAL

MERGED INGLEWOOD REDEVELOPMENT PROJECT
INGLEWOOD, CALIFORNIA

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

CITY OF INGLEWOOD,

City,

and

K.P. AUTO CENTER, L.P., a California Limited Partnership

Developer.

KOPER --DDA
1/8/12
Final

TABLE OF CONTENTS

Page

ATTACHMENTS

ATTACHMENT NO. 1	SITE MAP
ATTACHMENT NO. 1A	LEGAL DESCRIPTION
ATTACHMENT NO. 2	METHOD OF FINANCING
ATTACHMENT NO. 2A	PROJECT BUDGET
ATTACHMENT NO. 3	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 4	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 5	GRANT DEED
ATTACHMENT NO. 6	EMPLOYMENT AND TRAINING AGREEMENT
ATTACHMENT NO. 7	AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
ATTACHMENT NO. 8	RELEASE OF CONSTRUCTION COVENANTS

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into by and between the CITY OF INGLEWOOD, a municipal corporation (the "City") and K.P. AUTO CENTER, L.P., a California Limited Partnership (the "Developer") with respect to the following:

RECITALS,

WHEREAS, the City and the Developer have previously entered into that certain Exclusive Negotiating Agreement dated April 14, 2009 with respect to the proposed disposition and development of certain City-owned real property by the Developer (the "ENA"); and

WHEREAS, the City, pursuant to that certain Cooperation Agreement by and between the Inglewood Redevelopment Agency (the "Agency ") dated January 25, 2011, as amended by a First Amendment to Cooperation Agreement dated February 15, 2011 and a Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "Cooperation Agreement"), City has acquired and presently owns all real property previously owned by the City and agreed to undertake certain redevelopment activity on the behalf of the City; and

WHEREAS, pursuant to the terms of the ENA and the Cooperation Agreement, the City and the Developer now wish to enter into this Agreement for the disposition of that certain real property currently owned by the City to the Developer for development in accordance with the requirements of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the City and the Developer agree as follows:

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Merged Imperial-Prairie Redevelopment Project Area by providing for the sale of certain City-owned real property to the Developer, and its redevelopment by the Developer in conjunction with certain Developer-owned real property on land area of approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square fee and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto (the "Improvements"), all in accordance with City approved drawings and plans as set forth in this Agreement and more particularly reflected in the Schedule of Performance (Attachment No 3). The sale and redevelopment of the "Site" (as defined below) pursuant to this Agreement, and the fulfillment generally of this Agreement are in the vital and

best interest of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

B. [§ 102] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Merged Inglewood Redevelopment Project Area (La Cienega Subarea), which was approved and adopted on February 26, 2002, by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 by the City Council of the City of Inglewood (the "Redevelopment Plan"). Said Ordinances and the Redevelopment Plan are incorporated herein by reference and made a part hereof as though set forth in full.

Any amendments hereinafter to the Redevelopment Plan (as so approved and adopted) which change the uses or development permitted on the Site as proposed in this Agreement, or otherwise change the restrictions or controls that apply to the Site or otherwise adversely affect the Developer's obligations or rights with respect to Site, shall require the written consent of the Developer which the Developer may withhold in its sole discretion. Amendments to the Redevelopment Plan applying to other property in the Merged Inglewood Redevelopment Project area (La Cienega) shall not require the consent of the Developer.

C. [§ 103] The Redevelopment Project Area

The Merged Inglewood Redevelopment Project Area (the "Redevelopment Project Area") is located in the City of Inglewood. The exact boundaries of the Redevelopment Project area are specifically and legally described in the Redevelopment Plan.

D. [§ 104] The Site

The "Site" is comprised of those certain parcels of City -owned real property consisting of approximately 2.72 acres (the "Sales Parcel") and those certain parcels of Developer-owned real property consisting of approximately 1.57 acres (the "Participating Parcel"). Both the Sales Parcel and the Participating Parcel are located within the City of Inglewood. The total size of the Site (i.e., the combined size of the Sales Parcel and the Participating Parcel) is approximately 4.29 acres. The Site is illustrated and designated on the "Site Map" which is incorporated herein and attached to this Agreement as Attachment No. 1. The Site is also more precisely described in the "Legal Description" which is incorporated herein and attached hereto as Attachment No. 1A. The Site is currently zoned as C-3 and M-1 and shall be developed by the Developer as an automobile mall, inclusive of certain ancillary auto parts and related retail uses, including, but not limited to, the construction of consisting of land area of approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square fee and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto.

Pursuant to the terms of this Agreement, the Sales Parcel will be conveyed to the Developer by a single conveyance by the City.

E. [§ 105] Parties to the Agreement

1. [§ 106] City

The City is a municipal corporation exercising governmental functions and powers pursuant to Chapter 2 of the Community Redevelopment Law of the State of California.

The address of the City for purposes of this Agreement is: City Hall, One Manchester Boulevard, Ninth Floor, Inglewood, California 90301, Attention: City Manager.

"City" as used in this Agreement, includes the City of Inglewood acting pursuant to the Cooperation Agreement and any public body that is an assignee of or successor to its rights, powers and responsibilities. However, notwithstanding the foregoing, any and all City action pursuant to this Agreement shall only be performed and constitute redevelopment activity in accordance with the authorization and rights established in the Cooperation Agreement. Moreover, Developer acknowledges that any financial obligation established by this Agreement shall only be satisfied by those certain redevelopment funds provided to and held by the City pursuant to the redevelopment activity authorized and set forth in the Cooperation Agreement and under no circumstances shall any such actions of the City taken pursuant to this Agreement constitute action of the City in its capacity as a municipal corporation nor constitute a City obligation for which its general fund and/or any other specific City revenue is pledged, committed or obligated.

2. [§ 107] Developer

The Developer is the K.P. Auto Center, L.P., a California limited partnership. The address of the Developer for purposes of this Agreement is 239 W. Manchester Boulevard, Suite 215, Inglewood, California 90301, Attention: Michael Koper, President.

Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

F. [§ 108] Prohibition against Change in Ownership Management and Control of Developer

The Developer represents and agrees that its purchase of the Site and its other undertakings pursuant to this Agreement are, and will be used, for the purpose of redevelopment of the Site and not for speculation in land holding. The Developer further recognizes that, in view of:

(a) the importance of the redevelopment of the Site to the general welfare of the community;

(b) the public aids that have been made available by law and by the government for the purpose of making such redevelopment possible; and

(c) the fact that a change in ownership or control of the Developer or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or control of the Developer or the degree thereof, is for practical purposes a transfer or disposition of the property then owned by the Developer,

the qualifications and identity of the Developer, and its principals, are of particular concern to the community and the City. The Developer further recognizes that it is because of such qualifications and identity that the City is entering into the Agreement with the Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

Prior to the issuance of a Release of Construction Covenants, the Developer shall not sell, transfer or convey any portion of the Site, or assign all or any part of this Agreement to a third party (a "Transferee") without the prior written approval of the City, which approval shall not be unreasonably withheld if, in the reasonable determination of the City, the proposed Transferee of any portion of the Site has the qualifications of a developer comparable in all material respects (including experience, character and financial capability) to the Developer. However, notwithstanding the foregoing, City consent shall not be required for any assignment of this Agreement primarily for estate tax purposes where the Developer is the majority/controlling/voting shareholder, general partner or managing member owning at least a fifty-one percent (51%) share or interest in the proposed Transferee. Moreover, the City hereby acknowledges and approves all existing leases on the Participating Parcels as well as any potential leases presently under negotiation by the Developer and certain third-party operators with respect to the Participating Parcel in which the City is aware.

In the event that, in violation of this Agreement, the Developer does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign any part of the Site or the buildings or structures thereon prior to the issuance of the Release of Construction Covenants, the City shall be entitled to an "Excess Purchase Price" payable by the Developer for the Sales Parcel in the amount that the consideration payable for such unauthorized sale, transfer, conveyance or assignment is attributable to the Sales Parcel and exceeds the amount of the Purchase Price paid by the Developer for the Sales Parcel to the City plus the cost of the Improvements developed on the Sales Parcel, including applicable carrying charges and costs related thereto. To the extent the Developer is required to pay an Excess Purchase Price to the City and such Excess Purchase Price has not been paid to the City, the City shall have a lien on the Site for the entire amount of the Excess Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to develop the Site (or applicable portion thereof) as authorized herein.

Except for assignments duly executed and deemed approved by the City as provided above, the Developer covenants and agrees for itself, and any of its successors in interest, that prior to issuance by the City of a Release of Construction Covenants and without the prior written approval of the City, there shall be no significant change in the ownership of the Developer, or in the relative proportions thereof, or with respect to the identity of the parties in control of the Developer, by any method or means.

The Developer shall promptly notify the City of any and all changes whatsoever in the identity of the parties in control of the Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the City if there is any significant change (voluntary or involuntary except as the result of death or incapacity) in membership, management or control of the Developer in violation of this Agreement prior to the issuance of a Release of Construction Covenants for the Site.

Except as otherwise provided in this Agreement, in the absence of a specific written agreement by the City, no such sale, transfer, conveyance or assignment of this Agreement or the Site (or any portion thereof), or approval by the City of any such sale, transfer, conveyance or assignment, shall be deemed to relieve the Developer from any obligations under this Agreement.

The restrictions of this Section 108 shall terminate upon issuance by the City of a Release of Construction Covenants for the entire Site or any portion thereof, as applicable.

G. [§ 109] City Representations

The City represents, warrants and covenants to the Developer as follows:

(i) The City is a municipal corporation, duly organized and in existence in accordance with the laws of the State of California and is authorized and qualified to own the Sales Parcel. Further, the City: (x) has complete and full authority to execute this Agreement and to convey to the Developer good and marketable fee simple title to the Sales Parcel subject to the terms and conditions of this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated herein, and (z) will take all such additional action necessary or appropriate to effect and facilitate the consummation of the sale and purchase transaction contemplated herein. Each of the persons executing this Agreement on behalf of the City further represents and warrants that the persons signing this Agreement on behalf of the City are duly qualified and appointed representatives of the City and have all requisite power and authority on behalf of the City to cause the City to enter into this Agreement as a valid, binding and enforceable obligation of the City.

(ii) To the best of the City's knowledge: (x) all assessments that are liens against the Sales Parcel are shown in the official records of the taxing authorities in

whose jurisdiction the Sales Parcel is located; (y) no improvements (site or area) have been constructed or installed by any public authority, the cost of which may be assessed in whole or in part against any part of the Sales Parcel in the future; and (z) with the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the City has not been notified of any possible future improvements that might create an assessment against any part of the Sales Parcel.

(iii) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the City has not received any notice of, and has no knowledge of, any pending or threatened taking or condemnation of the Sales Parcel or any portion thereof.

(iv) To the best of the City's knowledge, and with the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the Sales Parcel is free of any right of possession or claim of right of possession of any party other than the City, and there are no leases or occupancy agreements currently affecting any portion of the Sales Parcel. The City will not sell, encumber, convey, assign, pledge, lease or contract to sell, convey, assign, pledge, encumber or lease all or any part of the Site, nor restrict the use of all or any part of the Sales Parcel, nor take or cause or allow any action to be taken in conflict with this Agreement. The City additionally hereby represents and warrants that no rights of first refusal or similar agreements exist in connection with the Sales Parcel that would in any way interfere with or compromise the Developer's ability to purchase and develop the Sales Parcel in conjunction with the Participating Parcel as provided in the Agreement.

(v) The Sales Parcel has legal access to and from all street fronts and adjoining rights-of-way.

(vi) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, neither the entering into this Agreement nor the consummation of the sales and development transaction contemplated hereby will constitute or result in a violation or breach by the City of any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority. With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, there is no action, suit, proceeding or investigation pending or threatened that creates a lien or that would become a cloud on the title to the Site or any portion thereof or that questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any Federal, district, county, or municipal department, commission, board, bureau, city or other governmental instrumentality.

(vii) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the City has no knowledge of, nor has the City received any notice of, any actual or threatened action, litigation, or proceeding by

any organization, person, individual or governmental agency (including governmental actions under condemnation authority or proceedings similar thereto) against the Sales Parcel or the City nor has any such organization, person, individual or governmental agency communicated to the City anything that the City believes to be a threat of any such action, litigation or proceeding.

(viii) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the City has received no notice of and has no knowledge of any violations of law, municipal or county ordinances, or other legal requirements with respect to the Sales Parcel or with respect to the use, occupancy or construction thereon.

(ix) No portion of the Sales Parcel is located within a one hundred (100) year flood plain.

(x) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the City is not aware of any pending or threatened rezoning of all or any part of the Sales Parcel, except for any rezoning efforts being conducted or to be conducted in connection with permitting of the Sales Parcel in connection with the Participating Parcel for development as contemplated by this Agreement.

H. [§ 110] Developer Representations

The Developer represents, warrants and covenants to the City as follows:

(i) The Developer is a limited liability company, duly organized and in existence in accordance with the laws of the State of California and is authorized and qualified to own the Site. Further, the Developer (x) has complete and full authority to execute this Agreement and to accept conveyance from the City and develop the Sales Parcel in conjunction with the Participating Parcel subject to the terms and conditions of this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated herein, and (z) will take all such action necessary or appropriate to effect and facilitate the development of the Site as contemplated by this Agreement, subject to the Regional Water Quality Control Board remediation investigation of the Sales Parcel. The individuals/entities executing this Agreement on behalf of the Developer further represent and warrant that he/they/it is (are) signing this Agreement on behalf of the Developer and is duly qualified and an appointed representative of the Developer and has all requisite power and authority on behalf of the Developer to cause the Developer to enter into this Agreement as a valid, binding and enforceable obligation of the Developer.

(ii) Subject to the Regional Water Quality Control Board remediation investigation of the Sales Parcel, neither the entering into of this Agreement nor the

consummation of the transaction contemplated hereby will constitute or result in a violation or breach by the Developer of any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority. There is no action, suit, proceeding or investigation pending or threatened that creates a lien or that would become a cloud on the title to the Participating Parcel or any portion thereof or that questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any Federal, district, county, or municipal department, commission, board, bureau, agency or other governmental instrumentality.

(iii) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the Developer has no knowledge of, nor has the Developer received any notice of, any actual or threatened action, litigation, or proceeding by any organization, person, individual or governmental agency against it and/or the Participating Parcel that would preclude the Developer from acquiring the Sales Parcel and developing the Site pursuant to the terms and conditions of this Agreement.

(iv) To the best of the Developer's knowledge: (x) all assessments that are liens against the Participating Parcel are shown in the official records of the taxing authorities in whose jurisdiction the Site is located; (y) no improvements (site or area) have been constructed or installed by any public authority, the cost of which may be assessed in whole or in part against any part of the Participating Parcel in the future; and (z) the City has not been notified of any possible future improvements that might create an assessment against any part of the Participating Parcel.

(v) The Developer has not received any notice of, and has no knowledge of, any pending or threatened taking or condemnation of the Participating Parcel or any portion thereof.

(vi) To the best of the Developer's knowledge and except as previously presented by the Developer letter identifying same and approved by the City, the Participating Parcel is free of any right of possession or claim of right of possession of any party other than the Developer, and there are no leases or occupancy agreements currently in effect and/or affecting any portion of the Participating Parcel. Except as otherwise permitted by the City, the Developer will not sell, encumber, convey, assign, pledge, lease or contract to sell, convey, assign, pledge, encumber or lease all or any part of the Participating Parcel, nor restrict the use of all or any part of the Participating Parcel, nor take or cause or allow any action to be taken in conflict with this Agreement for a period of five (5) years following the issuance of the Release of Construction Covenants. The Developer additionally hereby represents and warrants that no rights of first refusal or similar agreements exist in connection with the Participating Parcel that would in any way interfere with or compromise the Developer's ability to develop the Participating Parcel in conjunction with the Sales Parcel as provided in the Agreement.

(vii) The Participating Parcel has legal access to and from all street fronts and adjoining rights-of-way.

(viii) The Developer has received no notice of and has no knowledge of any violations of law, municipal or county ordinances, or other legal requirements with respect to the Participating Parcel or with respect to the use, occupancy or construction thereon.

(ix) No portion of the Participating Parcel is located within a one hundred (100) year floodplain.

(x) The Developer is not aware of any pending or threatened rezoning of all or any part of the Participating, except for any rezoning efforts being conducted or to be conducted in connection with permitting of the Participating Parcel in connection with the Sales Parcel for development as contemplated by this Agreement.

II. [§ 200] DISPOSITION OF THE SALES PARCEL

A. [§ 201] Sale and Purchase

In accordance with and subject to all the terms, covenants, and conditions of this Agreement, the City agrees to sell to Developer and Developer agrees to purchase the Sales Parcel as shown on the Site Map (Attachment No.1) and more precisely described in that certain Legal Description attached hereto and made a part hereof as Attachment No. 1A. The Developer shall pay to the City as the total purchase price for the Sales Parcel, the Developer's Purchase Price as well as the Excess Purchase Price and Additional Purchase Price (to the extent applicable and warranted) in the accordance with the amounts and terms set forth in the Method of Financing, attached hereto as Attachment No. 2 and fully incorporated herein by this reference (the "Purchase Price"). The sale of the Sales Parcel shall be subject to satisfaction of all conditions precedent, as set forth in this Agreement and the Method of Financing.

B. [§ 202] Escrow

The City agrees to open an escrow for conveyance of the Sales Parcel in the County of Los Angeles with an escrow company or escrow agent acceptable to both the City and the Developer (the "Escrow Agent") as escrow agent, within the time provided in the Schedule of Performance attached hereto as Attachment No. 3 and incorporated herein by this reference. Sections 203-213 inclusive of this Agreement constitute the joint escrow instructions of the City and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow. The City and the Developer shall provide such additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its acceptance thereof in writing, delivered to the City and to the Developer within five (5) days after opening of the escrow, the Escrow Agent shall carry out its duties as Escrow Agent hereunder.

The Sales Parcel shall be conveyed in a single conveyance for the construction and development of the improvements on the Site (i.e., the Sales Parcel and the Participating Parcel) provided for in this Agreement. Upon delivery of the Grant Deed for the Sales Parcel to the Escrow Agent by the City pursuant to Section 205 of this Agreement, the Escrow Agent shall record such Grant Deed in accordance with these escrow instructions, provided that the title to the Sales Parcel can be vested in the Developer in accordance with the terms and provisions of this Agreement. The Escrow Agent shall buy, affix, and cancel any transfer stamps required by law. The Escrow Agent shall also disclose and provide the Developer with all pertinent documentary transfer tax information and costs prior to the close of escrow. Any insurance policies governing the applicable Site are not to be transferred.

The Developer shall pay into escrow to the Escrow Agent all fees, charges and costs necessary for the acquisition and conveyance of the Sales Parcel to Developer chargeable to Developer hereunder, promptly after the Escrow Agent has notified Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the conveyance of the Sales Parcel. Such fees, charges and costs shall include, without limitation:

(1) One half of the escrow fee;

(2) All premiums for title insurance required by Developer in excess of a CLTA title insurance policy;

(3) One half of the costs necessary to place the title to the Sales Parcel in the condition for conveyance required by the provisions of this Agreement;

(4) Notary fees;

(5) Ad valorem taxes, if any, upon the Sales Parcel or upon this Agreement or any rights hereunder, attributable to the period following the conveyance of title or possession; and

(6) Any State, County or City documentary stamps or transfer tax.

The Developer shall also deposit the Purchase Price and/or proof of payment of the Purchase Price (less any deposit amount) with the Escrow Agent at the same time in accordance with the provisions of Section 207 of this Agreement.

With the exception of one half of the escrow fee and the costs attributed to the CLTA title insurance policy, the City shall not be required to pay any costs, fees or charges in connection with the acquisition and conveyance of the Sales Parcel. Unless otherwise specified in this Agreement, each party shall be responsible for the payment of its own legal fees.

The City shall timely and properly execute, acknowledge and deliver the Grant Deed conveying to Developer title to the Sales Parcel in accordance with the requirements of Section 205 of this Agreement, together with an estoppel certificate certifying that Developer has completed all acts (except deposit of the Purchase Price and/or proof of payment of the Purchase

Price) necessary to entitle Developer to such conveyance, if such be the fact. The City shall also timely and properly execute any and all other documents including a FIRPTA Certificate and a Form 590 RE to the extent necessary for conveyance of the Sales Parcel to the Developer.

Upon the closing of Escrow, the Escrow Agent is authorized to:

(1) Pay, and charge Developer for any fees, charges and costs payable under this Section 202. Before such payments are made, the Escrow Agent shall notify the City and Developer of the fees, charges and costs necessary to clear title and close the escrow.

(2) Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the City and Developer. The Purchase Price shall not be disbursed by the Escrow Agent unless and until it has recorded the Grant Deed and has delivered to Developer a title insurance policy insuring title and conforming to the requirements of Section 208 of this Agreement.

(3) Record any instruments delivered through this escrow if necessary or proper to vest title in Developer in accordance with the terms and provisions of the escrow instructions portion of this Agreement (Sections 200-212).

All funds received in the escrow shall be deposited by the Escrow Agent in a separate interest-earning escrow account with any state or national bank doing business in the State of California and reasonably approved by Developer and the City. All interest earned on the funds shall be payable or credited to the Developer with all interest adjustments made on the basis of a thirty (30) day month. Any payment of interest to the Developer shall be made by check by the Escrow Agent. The Developer shall also be fully responsible for any and all costs required to establish and/or maintain the separate interest-earning account.

If this escrow is not in condition to close on or before the time for conveyance established in Section 207 of this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, demand the return of its money, papers, or documents from the Escrow Agent. No demand for return shall be recognized until ten (10) days after the Escrow Agent (or the party making such demand) shall have mailed copies of such demand to the other party or parties at the address of its principal place of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the ten- (10) day period, in which event the Escrow Agent is authorized to hold all money, papers, and documents with respect to the Site until instructed by a mutual agreement of the parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible.

If objections are raised as above provided for, the Escrow Agent shall not be obligated to return any such money, papers, or documents except upon the written instructions of both the City and Developer, or until the party entitled thereto has been determined by a final decision of

a court of competent jurisdiction. If no such objections are made within said 10-day period the Escrow Agent shall immediately return the demanded money, papers, or documents.

Any amendment to the escrow instructions shall be in writing and signed by both the City and Developer. At the time of any amendment the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to the City or Developer shall be directed to the addresses and in the manner established in Section 601 of this Agreement for notices, demands, and communications between the City and Developer.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 202 to 212, inclusive, of this Agreement.

C. [§ 203] Conveyance of Title and Delivery of Possession

Subject to any mutually agreed upon extension of time, conveyance to the Developer of title to the Sales Parcel in accordance with the provisions of Section 209 of this Agreement shall be completed on or prior to the date specified in the Schedule of Performance (Attachment No. 3) or such later date mutually agreed to in writing by the City and the Developer and communicated in writing to the Escrow Agent.

Except as otherwise provided herein, exclusive possession of the Sales Parcel shall be delivered to the Developer by the City concurrently with the conveyance of title thereto. The Developer shall accept title and possession to the Sales Parcel on or before the date established therefor in this Section 207 and subject to the conditions of closing as set forth in this Agreement.

D. [§ 204] Form of Deed

The City shall convey to the Developer title to the Sales Parcel in the condition provided in Section 204 of this Agreement by a "Grant Deed" substantially in the form attached to this Agreement as Attachment No. 5 and by this reference is fully incorporated herein. The Grant Deed to the Sales Parcel shall contain those covenants necessary or desirable to carry out the terms and conditions of this Agreement.

E. [§ 205] Condition of Title

The City shall convey to the Developer fee simple merchantable title to the Sales Parcel free and clear of all liens, bonds, encumbrances, assessments, easements, leases and taxes; except those which are set forth in this Agreement and included in the Grant Deed, and those which are otherwise consistent with this Agreement and which are acceptable to the Developer; provided however that no covenants, conditions, restrictions or equitable servitudes shall prohibit or limit the development permitted by the Scope of Development (Attachment No. 4). Title to the Sales Parcel shall be subject to the exclusion therefrom of all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface, together with

the right to drill into, through, and to use and occupy all parts of the Sales Parcel lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from the Sales Parcel, but without, however, any right to use or disturb either the surface of the Sales Parcel or any portion thereof within 500 feet of the surface for any purpose or purposes whatsoever.

All references to conveyance of title to the Sales Parcel in this Agreement shall also mean delivery of possession as referred to in this Section as the context may require.

However, notwithstanding anything in this Agreement to the contrary, the Developer hereby acknowledges that the Sales Parcel is subject to the performance of certain remediation activity and testing promulgated and conducted thereon by the Regional Water Quality Control Board, and despite such remediation activity and testing, elects to close escrow and acquire fee title to the Sales Parcel.

F. [§ 206] Time and Place for Delivery of Deed

Subject to any mutually agreed upon extension of time, the City shall deposit the Grant Deed for the Sales Parcel with the Escrow Agent on or before the date established for the conveyance of the Sales Parcel in the Schedule of Performance (Attachment No. 3).

G. [§ 207] Payment of the Purchase Price and Recordation of the Deed

The Developer shall promptly deposit the Purchase Price and/or proof of payment of the Purchase Price for the Sales Parcel with the Escrow Agent upon or prior to the scheduled date for conveyance thereof, provided that the Escrow Agent shall have notified the Developer in writing that the Grant Deed conveying the Sales Parcel to the Developer, properly executed and acknowledged by the City, has been delivered to the Escrow Agent and that title or possession is in condition to be conveyed in conformity with the provisions of Section 209 of this Agreement. The Escrow Agent shall deliver the Purchase Price to the City immediately following the delivery to the Developer of a title insurance policy insuring title in conformity with Section 208 of this Agreement and the filing of the Grant Deed for recordation among the land records in the Office of the County Recorder for Los Angeles County.

H. [§ 208] Title Insurance

Concurrently with recordation of the Grant Deed, First American Title Insurance Company or another title insurance company satisfactory to the City and the Developer ("Title Co.") shall provide and deliver to the Developer a 1970 Form B ALTA extended coverage owner's title insurance policy issued by Title Co. insuring that the title is vested in the Developer in the condition required by Section 205 of this Agreement, and any special endorsements which the Developer reasonably requests. The Title Co. shall provide the insurance policy and the title insurance policy shall be in the amount of the Purchase Price of the Sales Parcel or in such greater amount as the Developer may specify as hereinafter provided.

Concurrently with the issuance of the title policy for the Site, the Title Co. shall, if requested by the Developer, provide the Developer with an endorsement to insure the amount of the Developer's estimated construction costs of the improvements to be constructed on the Site and any lender's interest in the Site.

The Developer shall pay for all premiums attributable to any extended coverage or special endorsements which it requests above and beyond a CLTA title insurance policy.

I. [§ 209] Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Sales Parcel, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing prior to conveyance of title or possession of the Sales Parcel to the Developer, shall be borne by the City. Ad valorem taxes and assessments, if any, on the Sales Parcel, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing after conveyance of title or possession of the Sales Parcel to the Developer, shall be borne by the Developer.

Ad valorem taxes and assessments, if any, on the Participating Parcel, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing both prior and subsequent to conveyance of title or possession of the Sales Parcel to the Developer, shall be borne by the Developer.

J. [§ 210] Occupants of the Sales Parcel

City agrees that title to the Sales Parcel shall be conveyed free of any possession or right of possession except those title exceptions approved by the Developer and expressly provided in this Agreement.

K. [§ 211] Zoning of the Site

Prior to the conveyance of the Sales Parcel, the Developer shall take such actions as are necessary to procure the appropriate zoning and subdivision map of the Site, and obtain the requisite City land use regulations and designations so as to permit the development of the Site and construction of the improvements thereon and the use, operation and maintenance of the improvements in accordance with the provisions of this Agreement (the "Entitlements"). The City shall provide all proper and reasonable assistance to the Developer in connection therewith, and shall use its good faith and best efforts in cooperating with and facilitating Developer's efforts to obtain all of the necessary Entitlements and/or any other discretionary permits required for the development of the Site.

L. [§ 212] Condition of the Sales Parcel

The Sales Parcel, and each portion thereof, shall be conveyed in an "as is" condition, with no warranty, express or implied by the City as to the condition of the soil, water, or presence of "Hazardous Substances" (as defined herein) its geology, or the presence of known or unknown

contaminants. In this regard, the City, at the request of the Developer, shall make available to the Developer all documents within its possession pertinent to the condition of the Site. Except as otherwise and specifically provided for in this Agreement, it shall be the sole responsibility of the Developer, at the Developer's expense, to investigate and determine the soil and water conditions of the Site (i.e., the Sales Parcel and Participating Parcel) and the suitability of the Site for the development to be constructed on the Site by the Developer. However, notwithstanding the foregoing, the City shall be responsible for the remediation of all Hazardous Substances on the Sales Parcel identified by the Developer on the Sales Parcel subject to the following limitations: (a) all such Hazardous Substances identified by the Developer is communicated in writing to the City within five (5) years following the execution of this Agreement by the City; (b) none of the identified Hazardous Substances on the Sales Parcel is the result of any action taken by Developer and/or any of its contractors, consultants, employees, agents, successors, assigns, etc., whether acting on behalf of the Developer or not; and (c) the total cost to the City of remediating all identified Hazardous Substances shall not exceed the amount of Two Million Three Hundred Thousand Dollars ($2,300,000)(the "Remediation Costs"). Subject to the remediation obligation, if any established in this paragraph, the City agrees to indemnify, defend (with legal counsel of City's choice) and hold the Developer harmless from any costs, claims, damages, or liability arising from such obligation. However, notwithstanding the foregoing, the City shall not be responsible for (and such indemnity shall not apply to) acts of negligence or misconduct on the part of the Developer, its officers, employees, contractors, agents, tenants, consultants, assignees and/or successors-in-interest. All such indemnity costs required of the City, if any, shall be subject to and included in the Remediation Costs. The indemnity provision of this paragraph shall survive termination of this Agreement; provided the following: (a) the City has issued the Release of Construction Covenants to the Developer pursuant to Section 324 of this Agreement; and (b) the Developer has timely identified and notified the City of the presence of Hazardous Substances on the Sales Parcel as set forth in this paragraph.

Any and all costs attributable to the remediation of Hazardous Substances on the Sales Parcel by the City pursuant to this paragraph in excess of the Remediation Costs shall be the sole responsibility of the Developer.

Moreover, the City shall be fully responsible for satisfying the remediation requirements of the Regional Water Quality Control Board relating to the Sales Parcel (the "RWQCB Remediation"). All such costs for the RWQCB Remediation shall be the sole responsibility of the City.

With the exception of the remediation activities arising from the RWQCB Remediation and the Remediation Costs (to the extent applicable), and consistent with the requirements of Section 309 of this Agreement, Developer shall defend, indemnify and hold City and Inglewood Redevelopment Agency and their respective officers, members, employees, contractors, consultants, agents and successors harmless from any costs, claims, damages or liabilities pertaining to or arising from the performance of any tests and inspections of the Site, or any portion thereof. Any damage or injury to any of the parcels comprising the Sales Parcel or any

improvement thereon resulting from any such test or inspection shall be promptly repaired or restored by Developer at its sole expense.

For purposes of this Agreement, "Hazardous Substances" means: (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA or RCRA; (b) those substances defined as "hazardous wastes" in ' 25117 of the California Health & Safety Code, or as "hazardous substances" in ' 25316 of the California Health & Safety Code, and in the regulations promulgated pursuant to said laws; (c) those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection City (or any successor agency) as hazardous substances (40 C.F.R. part 302 and amendments thereto); (d) any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" pursuant to ' 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321) or listed pursuant to ' 311of the Clean Water Act (33 U.S.C. 1317), (v) flammable explosives, or (vi) radioactive materials; and (e) such other substances, materials and wastes which are or become classified as hazardous or toxic under any of the Environmental Laws or any other applicable local, state or federal law, or otherwise are or become regulated under any Environmental Law(s).

M. [§ 213] Relationship of City and Developer

Nothing contained in this Agreement or in any other document or instrument made in connection with this Agreement shall be deemed or construed to create a partnership, tenancy in common, joint tenancy, joint venture or co ownership by or between the City and the Developer.

O. [§ 214] Preliminary Work by the Developer

Prior to the conveyance of title to the Sales Parcel, representatives of the Developer shall have the right of access to and entry upon the Sales Parcel at all reasonable times, for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. The Developer agrees to defend, indemnify and hold the City, and their officers, employees, contractors and agents, harmless for any and all claims, liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising out of any work or activity of the Developer, its officers, employees, contractors and agents, permitted pursuant to this Section 214, which indemnity shall not apply any negligence or willful misconduct by the City, its staff, agents or contractors. The City agrees to provide, or cause to be provided, to the Developer all data and information pertaining to the Sales Parcel and in its possession within five (5) business days following receipt of written request from the Developer requesting such data and information.

P. [§ 215] Submission of Evidence of Financing

Within the times established respectively therefore in the Schedule of Performance (Attachment No. 3), the Developer shall submit to the City evidence reasonably satisfactory to the City that the Developer has obtained firm and binding commitments for financing necessary

for the acquisition of the Sales Parcel and development of the Site in accordance with this Agreement.

The Developer's first submission of such evidence of financing shall include:

1. A project budget, current as of the close of escrow for the conveyance of the Sales Parcel, setting forth all development costs for the Site (the "Development Costs"), or a certification by the Developer that the Project Budget attached to this Agreement as Attachment No. 2A remains accurate;

2. A copy of the commitment or commitments obtained by the Developer for any mortgage loan or loans or other financing for construction financing to finance the entire cost of acquisition of the Sales Parcel and construction of the improvements on the Site or the applicable portion thereof in the event of a phasing of the construction of the improvements on the Site (as defined in the Scope of Development), certified by the Developer to be a true and correct copy or copies thereof. The commitment or commitments for financing shall be in such form and content acceptable to the City as reasonably evidences a commitment normally issued by an institutional lender.

3. Documentary evidence reasonably satisfactory to the City of sources of equity capital sufficient to demonstrate that the Developer has adequate funds committed to cover the difference, if any, between the Development Cost less financing authorized by mortgage loans for the development of the Site.

4. A schedule of all tenants obtained to date to occupy space within the Site, together with the amount of space, lease term, and minimum and performance rent and tenant improvement allowance applicable thereto, and copies of such tenant leases (to be provided to City Special Counsel for confidential review) if requested by the City, certified to be true and correct copies thereof.

The Developer's second submission of such evidence of financing shall include:

1. A copy of the contract between the Developer and the general contractor or contractors for the construction of the improvements on the Site or the applicable portion thereof in the event of a phasing of the construction of the improvements on the Site, certified by the Developer to be a true and correct copy thereof.

2. Copies of any construction loan documents, including but not limited to any loan agreement, note and trust deed, as well as equity commitment documents, pertaining to the development of the Site in final form to be closed through the escrow provided for in Section 202, together with evidence that any such documents have been submitted to escrow and that there are no outstanding conditions, except as required by this Agreement to be satisfied concurrently with closing of any mortgage loan and/or other financing for the development of the

Site, which would preclude closing and initial funding of such construction loan or loans and equity provided to and/or by the Developer.

The City shall approve or disapprove each such submission of evidence of financing within the times established in the Schedule of Performance. Such approval shall not be unreasonably withheld. If the City shall disapprove any such evidence of financing, the City shall do so by written notice to the Developer stating the reasons for such disapproval. The Developer shall promptly, but in any event prior to the dates respectively required for submission of evidence of financing in the Schedule of Performance, obtain and submit to the City new evidence of financing. The City shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 215 for the approval or disapproval of the evidence of financing as initially submitted to the City..

Q. [§ 216] CEQA Requirements

Certain environmental documents necessary for the development of the Site by the Developer have been prepared and certified by the City for the Merged Inglewood Redevelopment Project in compliance with the requirements of the California Environmental Quality Act of 1970, as amended from time to time (California Public Resources Code, Section 2100 et seq., hereinafter referred to as "CEQA") and all applicable State regulations and local ordinances and regulations enacted pursuant thereto. Any further environmental clearance and/or documentation required for the development of the Site as contemplated by this Agreement shall be the sole responsibility of the Developer.

III. [§300] DEVELOPMENT OF THE SITE

A. [§301] Responsibilities for Development of the Site

The Developer shall be responsible for the development on the Site in accordance with the requirements of this Agreement.

B. [§ 302] Scope of Development

The Site shall be developed in accordance with and within the limitations established in the "Scope of Development" which is incorporated herein and attached to this Agreement as Attachment No. 4.

C. [§ 303] Basic Concept Drawings

The Developer shall prepare and submit Basic Concept Drawings and related documents for the development of the Site to the City for review and approval within the time established in the Schedule of Performance. Basic Concept Drawings and related documents shall include a site plan, floor plans, elevations, cross section drawings illustrating the relationship of the buildings to any adjacent residential area, and a landscape plan of the Improvements as they are to be developed and constructed on the Site. These drawings shall, unless both parties agree otherwise,

conform to the requirements of any applicable community plan, development standards established in the Scope of Development (Attachment No. 4) and the City Zoning Code.

The Site, and related off-site improvements, shall be developed as established in the Basic Concept Drawings and related documents except as changes may be mutually agreed upon between the Developer and the City. Any such changes shall be within the limitations of the Scope of Development.

D. [§ 304] Landscaping and Finish Grading Plans

The Developer shall prepare and submit to the City for its approval preliminary and final landscaping and preliminary and finish grading plans for the Site. The plans shall conform to the requirements of the City of Inglewood and the development standards established in the Scope of Development (Attachment No. 4) by the City and the City and the City Zoning Code. All plans shall be prepared and submitted within the times established in the Schedule of Performance.

The landscaping plans shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as the Developer's architect. Within the times established in the Schedule of Performance, the Developer shall submit to the City for approval the name and qualifications of its architect, landscape architect, and civil engineer, which approval shall not be unreasonably withheld.

The landscaping plans shall include a lighting program which highlights the design of the exterior components of the development including but not limited to building facades, architectural and landscaping detail and sculpture.

E. [§ 305] Construction Drawings and Related Documents for the Site

The Developer shall prepare and submit construction drawings and related documents (collectively called the "Drawings") for the development of the improvements on the Site as well as all applicable off-site public improvements to the City for review (including but not limited to architectural review), and written approval within the times established in the Schedule of Performance (Attachment No. 3). The Drawings shall be submitted in three (3) three stages: Schematic, Preliminary Drawings and Final Construction Drawings. Schematic all drawings shall include a refined site plan, elevations and sections of the improvements. Preliminary Drawings are hereby defined as design development drawings. Final Construction Drawings are hereby defined as those in sufficient detail to obtain a building permit.

Approval of progressively more detailed drawings and specifications will be promptly granted by the City if developed as a logical evolution of drawings or specifications theretofore approved. Any items so submitted and approved by the City shall not be subject to subsequent disapproval.

During the preparation of all drawings and plans, the City and the Developer shall, at the request of the City, hold regular progress meetings to coordinate the preparation of, submission to, and review of the Drawings by the City. The City and the Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to the City can receive prompt and speedy consideration.

If any revisions or corrections of plans approved by the City shall be required by any government official, agency, department, or bureau having jurisdiction over the development of the Site, the Developer and the City shall cooperate in efforts to obtain a waiver of such requirements or to develop a mutually acceptable alternative.

F. [§ 306] City Approval of Plans, Drawings and Related Documents

Subject to the terms of this Agreement, the City shall have the right of architectural review of all plans and submissions, including any proposed changes therein. The City shall approve or disapprove the plans, drawings and related documents referred to in Section 303, 304 and 305 of this Agreement within the times established in the Schedule of Performance (Attachment No. 3). If approved, such approval shall constitute and indicate that such approved plans, drawings and related documents are in compliance with the Redevelopment Plan and all other City-adopted land use regulations applicable to the Site. Failure by the City to either approve or disapprove within the times established in the Schedule of Performance shall be deemed an approval hereunder. Any disapproval shall state in writing the reasons for disapproval and any changes which the City requests to be made. Such reasons and such changes must be consistent with the Scope of Development (Attachment No. 4) and any items previously approved or deemed approved hereunder. The Developer, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall promptly revise the plans, drawings and related documents, and resubmit the subject plans, drawings and related documents to the City as soon as reasonably possible after receipt of the notice of disapproval.

If the Developer desires to make any substantial change(s) to the Final Construction Drawings after approval, such proposed change(s) shall be promptly submitted to the City for approval. If the Final Construction Drawings, as modified by the proposed change, conform to the requirements of Section 305 of this Agreement and the Scope of Development, the proposed change(s) shall be approved and the Developer shall be notified in writing within thirty (30) days after submission. Such change in the construction plans shall, in any event, be deemed approved unless rejected in whole or in part, by written notice thereof setting forth in detail the reasons therefor, and such rejection shall be made within said thirty- (30) day period.

G. [§ 307] Cost of Construction

The cost of developing the Site, and constructing the Improvements thereon, shall be borne by the Developer, except as otherwise expressly and specifically provided herein.

H. [§ 308] Schedule of Performance

After the conveyance of title to and possession of the Sales Parcel, or any portion thereof, the Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the Improvements on the Site or the applicable portion thereof, and the development thereof as provided in the Scope of Development (Attachment No. 4), The Developer shall begin and complete all construction and development of the Improvements on the Site within the times specified in the Schedule of Performance (Attachment No. 3) with such reasonable extensions of said dates as may be granted in writing by the City. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by the Developer and the City.

During periods of construction, the Developer shall submit to the City a written report of the progress of the construction when and as reasonably requested by the City, but in no event shall the Developer be required to submit any such report more often than monthly. The report shall be in such form and detail as may be reasonably required by the City and shall include a reasonable number of construction photographs (if requested) taken since the last report by the Developer.

Without limiting the foregoing, prior to the completion of the Improvements on the Site, and also prior to completion of any off-site improvements related to and required as part of the development of the Site for which the Developer shall be responsible, the Developer and its architect shall formally demonstrate to the City (or its designee) that the actual structural design and construction of the improvements on the Site are consistent with the plans, drawings and specifications theretofore approved by the City for the development.

I. [§ 309] Indemnification during Construction; Bodily Injury and Property Damage Insurance

During the period commencing with execution of this Agreement by the City, and continuing until such time as the City has issued a Release of Construction Covenants with respect to the construction of the Improvements on the Site, the Developer agrees to and shall indemnify and hold the City, the City and their respective officers, employees, contractors and agents harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur on or adjacent to the Site and which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of the Developer or its officers, employees, contractors or agents with the exception of acts, errors or omissions of the City, City, and/or their respective officers, employees, contractors or agents.

During the period commencing with any preliminary work on the Site by Developer under Section 214, or if none, then commencing with conveyance of title and possession of the Sales Parcel to Developer, and ending on the date when a Release of Construction Covenants has

been issued with respect to the entire Site, the Developer shall furnish or cause to be furnished to the City, duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least $3,000,000 combined single limit liability naming the City, the City, and their respective officers, employees, contractors and agents as additional insureds.

J. [§ 310] Antidiscrimination during Construction

The Developer, for itself and its successors and assigns, agrees that in the construction of the Improvements on the Site as provided for by this Agreement, the Developer will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, creed, religion, national origin, or ancestry.

K. [§ 311] Local, State and Federal Laws

The Developer shall carry out the construction of the Improvements on the Site in conformity with all applicable laws, including all applicable federal and state labor standards. The Developer shall carry out development, construction (as defined by applicable law) and operation of the improvements on the Site, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including, without limitation, the requirement to pay state prevailing wages to the extent applicable). The Developer hereby expressly acknowledges and agrees that neither City nor the City has ever previously affirmatively represented to the Developer or its contractor(s) for the construction or development of the improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by this Agreement is not a "public work," as defined in Labor Code Section 1720. Developer hereby agrees that Developer shall have the obligation to provide any and all disclosures or identifications required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. The Developer shall indemnify, protect, defend and hold harmless the City, City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to the City and City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by the Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, the requirement to pay state prevailing wages); (2) the implementation of SB 966; (3) the implementation of Labor Code Section 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; and/or (4) failure by the Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. It is mutually agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the improvements, including, without limitation, any and all public works (as

defined by applicable law), the Developer shall bear all risks of payment and/or non-payment of state prevailing wages and/or the implementation of SB 966 and/or Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, and/or any other similar law. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement.

L. [§ 312] City and Other Governmental City Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, the Developer, with City assistance where necessary and appropriate, shall secure or cause to be secured, any and all permits which may be required by the City or any other governmental agency affected by such construction, development or work. The City shall use its good faith efforts to assist the Developer in securing these permits.

M. [§ 313] Rights of Access

Representatives of the City and the City shall have a reasonable right of access to the Site, upon twenty-four (24) hours' prior written notice to the Developer, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Improvements. However, no such notice shall be required in the event of an emergency involving the Site or any portion thereof.

Representatives of the City or the City shall be those who are so identified in writing by the Executive Director of the City (or his/her designee). Such representatives shall also be responsible for providing any required written notice to the Developer. All activities performed on the Site by the representatives shall be done in compliance with all applicable laws and regulations regarding health and safety, including any written safety rules and regulations of the Developer.

N. [§ 314] Responsibilities of the City

The City shall only be responsible for performing any work specified in the Scope of Development (Attachment No. 4) requiring City performance

O. [§ 315] Taxes. Assessments. Encumbrances and Liens

The Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Sales Parcel and all portions thereof, subsequent to the conveyance of the title or possession. However, the Developer shall be responsible at all times for the payment when due of all real estate taxes and assessments assessed and levied on or against the Participating Parcel The Developer shall not place, or allow to be placed on the Site or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement. The Developer shall remove, or shall have removed, any levy or attachment made on the Site or

any portion thereof, except those created by work of the City, or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amount of any tax assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto. The covenants of the Developer set forth in this Section 315 relating to the placement of any unauthorized mortgage, trust deed, encumbrance, or lien, shall remain in effect only until a Release of Construction Covenants has been recorded with respect to the Site or the portion thereof upon which any unauthorized mortgage, trust deed, encumbrance or lien might be placed.

P. [§ 316] Prohibition Against Transfer Prior to Issuance of a Release of Construction Covenant

Prior to the issuance by the City of a Release of Construction Covenants pursuant to Section 324 of this Agreement, the Developer shall not, except as permitted by this Agreement, assign or attempt to assign this Agreement or any right herein with respect to the Site (or portion thereof), nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Site or the Improvements thereon, without prior written approval of the City. This prohibition shall not be deemed to prevent the granting of leases, easements or permits necessary to facilitate the development of the Site, nor shall it prohibit granting any security interests expressly described in this Agreement for financing the acquisition and development of the Site.

In the event that the Developer does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign any part of the Site or the buildings or structures thereon for any reason other than an involuntary condemnation action by a public entity against the Site, or any such buildings or structures thereon, prior to the recordation of the Release of Construction Covenants in violation of this Agreement, the City shall be entitled to increase the purchase price paid by the Developer for the Sales Parcel by the amount that the pro-rata consideration attributable and payable for such sale, transfer, conveyance or assignment of the Sales Parcel is in excess of the purchase price paid by the Developer for the Sales Parcel, plus the cost of any improvements and development, including carrying charges and costs related thereto. To the extent such consideration payable for such sale, transfer, conveyance or assignment is in excess of the original purchase price paid by the Developer for the Sales Parcel plus the cost of the Improvements and development, including carrying charges and costs related thereto, such excess shall belong and be paid to the City and until so paid, the City shall have a lien on the Site (or applicable portion thereof), as the case may be, for such amount. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized herein. At the time of any such sale, transfer, conveyance or assignment, the Developer shall submit to the City sufficient information reasonably required by the City to demonstrate that there is no such excess consideration received with respect to any such sale, transfer, conveyance or assignment or pursuant to the terms of this paragraph.

In the absence of a specific written agreement by the City, no such sale, transfer, conveyance or assignment of this Agreement or the Site (or any portion thereof), or approval by

the City of any such sale, transfer, conveyance or assignment, shall be deemed to relieve the Developer or any other party from the obligations of this Agreement.

Q. [§ 317] Security Financing; Right of Holders

[Reserved]

R. [§ 318] No Encumbrances except Mortgages, Deeds of Trust. Conveyances and Leasebacks or Other Conveyance for Financing for Development

Notwithstanding Section 316 above, after conveyance of title and possession to any portion of the Sales Parcel to Developer, mortgages, deeds of trust, conveyances and leasebacks, or any other form of conveyance required for any reasonable method of financing are permitted with respect to the Site before the recordation of the Release of Construction Covenants (referred to in Section 324 of this Agreement), but only for the purpose of securing loans and funds to be used for financing the acquisition of the Sales Parcel, the construction of the Improvements on the Site, and any other expenditures necessary and appropriate to develop the Site pursuant to the terms of this Agreement. The Developer shall notify the City in advance of any mortgage, deed of trust, conveyance and leaseback, or other form of conveyance for financing if the Developer proposes to enter into the same before the recordation of the Release of Construction Covenants. The Developer shall not enter into any such conveyance for financing without the prior written approval of the City, which approval the City agrees to give if any such conveyance is provided by a responsible financial or lending institution or other acceptable person or entity. Such lender shall be deemed approved unless rejected in writing by the City within thirty (30) days after receipt of notice thereof by the City. Such lender approved by the City pursuant to this Section 318, shall not be bound by any amendment, implementation, or modification to this Agreement subsequent to its approval without such lender giving its prior written consent. City and Developer shall not modify or amend this Agreement without such lender's giving its prior written approval.

In any event, the Developer shall promptly notify the City of any mortgage, deed of trust, lease, conveyance and leaseback, or other financing, conveyance, encumbrance or lien that has been created or attached to the Site (or any portion thereof) prior to completion of the construction of the improvements thereon whether by voluntary act of the Developer or otherwise.

The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction, and land development.

S. [§ 319] Holder Not Obligated to Construct Improvements

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion; nor shall any

covenants or any other provision in the grant deed for the Site be so construed as to so obligate such holder. Nothing in this Agreement shall be deemed or construed to permit, or authorize any such holder to devote the Site to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

T. [§ 320] Notice of Default to Mortgage. Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the Improvements, the City shall at the same time deliver to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of the City are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession, and such holder has elected to remedy or cure such default, such holder shall seek to obtain possession with diligence and continuity through foreclosure, deed in lieu of foreclosure or such other procedure as the holder may elect, and shall remedy or cure such default within ninety (90) days after obtaining possession; provided, however, that in the case of a default which cannot diligently be remedied or cured, or the remedy or cure of which cannot be commenced within such 90-day period, such holder shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity. Moreover, any such holder shall also not be required to remedy or cure any non-curable default of the Developer. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect the Improvements or construction already made) without first having expressly assumed the Developer's obligations to the City by written agreement reasonably satisfactory to the City. The holder in that event must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such holder related, and submit evidence reasonably satisfactory to the City that it has the qualifications and/or financial responsibility necessary to perform such obligations. Any such holder properly completing such Improvements shall be entitled, upon written request made to the City, to a Release of Construction Covenants from the City.

U. [§ 321] Failure of Holder to Complete Improvements

In any case where six (6) months after default by the Developer relative to the completion of construction of the Improvements on the Site (for which a Release of Construction Covenants has not yet been issued the City pursuant to this Agreement), the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Site (or portion thereof) has not exercised the option to construct, or if it has exercised the option but has not proceeded diligently with construction (including diligent efforts to obtain possession if necessary), the City may purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest and other charges properly

payable under the mortgage, deed of trust or other security interest; provided, however, that the holder shall have thirty (30) days after its receipt of notice from the City of its intent to effect this purchase, in which the holder may exercise the option to construct (if it has not previously done so), or may resume to proceed diligently with construction, as the case may be, and if the holder does so act, the notice from the City shall be deemed withdrawn; the foregoing right to delay purchase by the City may be exercised only once by the holder. If the ownership of the Site (or any portion thereof) has vested in the holder, the City, if it so desires, shall be entitled to a conveyance from the holder to the City upon payment to the holder of an amount equal to the sum of the following as they pertain to the Site (or portion thereof):

(a) The unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).

(b) All expenses with respect to foreclosure.

(c) The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent ownership or management of the Site (or portion thereof), such as insurance premiums and real estate taxes.

(d) The cost of any Improvements on the Site made by such holder.

(e) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the City.

V. [§ 322] Right of City to Cure Mortgage, Deed of Trust, or Other Security Interest Default

In the event of a default or breach by the Developer of a mortgage, deed of trust or other security interest with respect to the Site (or portion thereof) prior to the issuance of a Release of Construction Covenants by the City, and the holder has not exercised its option to complete the development, the City may cure the default prior to completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the City in curing the default. The City shall also be entitled to a lien upon the Site (or portion thereof) to the extent of such costs and disbursements. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized herein.

Notwithstanding the preceding paragraph, Developer hereby acknowledges that the City shall be under no obligation pursuant to this section to cure any such default.

W. [§ 323] Right of the City to Satisfy Other Liens on the Property after Title Passes

Prior to the recordation of the Release of Construction Covenants (referred to in Section 324 of this Agreement), and the Developer, after a thirty (30) day period following its receipt of notice of the existence of any such liens or encumbrances, has failed to challenge, cure or satisfy any such liens or encumbrances on the Site (or the applicable portion thereof), the City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as the Developer in good faith contests the validity or amount thereof, and so long as such delay in payment shall not subject the Site (or the applicable portion thereof) to forfeiture or sale.

X. [§ 324] Release of Construction Covenants

Promptly after completion of all construction and development of the Improvements to be completed by the Developer upon the Site, the City shall furnish the Developer with a Release of Construction Covenants upon written request therefor by the Developer. The City shall not unreasonably withhold any such Release of Construction Covenants. Such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement upon the Site, in substantial compliance with the plans, drawings and related document referred in Sections 304 and 305, and of full compliance with the terms hereof with respect to the development of the Improvements upon the Site. Notwithstanding the foregoing, the City may also furnish the Developer with a Release of Construction Covenants for portions of the improvements that are properly completed and ready to use if the Developer is not in default of this Agreement. After the recordation of the Release of Construction Covenants with regard to any portion of the Site, any party then owning or thereafter purchasing, leasing, or otherwise acquiring any interest therein shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by any covenants contained in the deed, lease, mortgage, deed of trust, contract or other instrument of transfer which shall include the provisions of Sections 400 through 404 (inclusive) of this Agreement. Neither the City nor any other person, after the recordation of the Release of Construction Covenants, shall have any rights, remedies or controls that it would otherwise have or be entitled to exercise under this Agreement with respect to the Site (or any portion thereof) as a result of a default in or breach of any provision of this Agreement, and the respective rights and obligations of the parties with reference to the Site (or portion thereof) shall be limited thereafter to those set forth in the documents recorded pursuant to Sections 400 through 404 (inclusive) of this Agreement.

The Release of Construction Covenants shall be in the form of Attachment No. 8 attached hereto and fully incorporated herein by this reference to be recorded in the Office of the Recorder of Los Angeles County.

If the City refuses or fails to furnish a Release of Construction Covenants for the Site (or portion thereof) after written request from the Developer, the City shall, within ten (10) days of

the written request, provide the Developer with a written statement which details the reasons the City refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the City's opinion of the action the Developer must take to obtain a Release of Construction Covenants. If the reasons for such refusal are confined to the immediate unavailability of specific items or materials for landscaping, the City will issue its Release of Construction Covenants upon the posting of a bond by the Developer with the City in an amount representing a fair value of the work not yet completed. If the City shall have failed to provide such written statement within said 10-day period, the Developer shall be deemed entitled to the Release of Construction Covenants.

Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the improvements, nor any part thereof. Such Release of Construction Covenants is not a Notice of Completion as referred to in Section 3093 of the California Civil Code.

Y. [§ 325] Project Identification Sign

Prior to commencement of any construction on the Site up until the issuance of a Release of Construction Covenants by the City as set forth in Section 324 above, the Developer shall prepare and install, at its cost and expense, a project identification sign at one location along the street frontage of the Site. The sign shall be at least eighteen (18) square feet in size and visible to passing pedestrian and vehicular traffic. The design of the sign as well as its proposed location shall be submitted to the City for review and approval prior to installation. The sign shall, at a minimum, include:

- Development name
- Developer
- The phrase:

  A Project of the Inglewood Redevelopment City

  Mayor: James T. Butts, Jt.

  Councilmembers:

Michael Stevens	1st District
Judy Dunlap	2nd District
Eloy Morales	3rd District
Ralph Franklin,	4th District

- Completion Date _____.
- For information call

Developer shall obtain a current roster of Inglewood Redevelopment City before signs are printed.

IV. [§ 400] USE OF THE SITE

A. [§ 401] Uses

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that, subject to the limitations specified in Section 405, during construction and thereafter the Developer, its successors and assignees shall devote the Site to the uses specified in the Redevelopment Plan, the development standards established in the Scope of Development (Attachment No.4), the City Zoning Code and the Grant Deed.

B. [§ 402] Maintenance of the Site

During construction and all times thereafter, the Developer, and its successors and assigns, shall maintain the Improvements on the Site and shall keep the Site reasonably free from graffiti and any accumulation of debris or waste materials. During construction and all times thereafter, the Developer, and its successors and assigns, shall also maintain the landscaping required to be planted under the Scope of Development in a healthy condition.

If the Developer fails to maintain the Site as required, the Developer agrees that the City shall have the right, but not the obligation, after giving five (5) business days' written notice to the Developer, to perform or cause the performance of all necessary maintenance at the Developer's expense. In such event, the City also be entitled to all related administrative or other costs associated with said performance of maintenance. Until fully reimbursed by the Developer, the City shall have a lien upon the Site in the amount of all such maintenance and related costs as set forth above.

C. [§ 403] Obligation to Refrain from Discrimination

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site.

D. [§ 404] Form of Nondiscrimination and Nonsegregation Clauses

The Developer shall refrain from restricting the rental, sale or lease of the property on the basis of sex, marital status, race, color, creed, religion, ancestry or national origin of any person.

All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

2. In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

   "That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

3. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

E. [§ 405] Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Site, or any part thereof, for the benefit and in favor of the City and the Inglewood Redevelopment Agency and their respective successors and assigns. Such covenants as are to survive the recordation of the Release of Construction Covenants by the City shall be contained in the Grant Deed (Attachment No. 5) and shall remain in effect for the period specified therein. Covenants in

this Agreement not expressly set forth in the Grant Deed shall terminate upon the issuance of a Release of Construction Covenants therefor.

F. [§ 406] Rights of Access - Public Improvements and Facilities

The City for itself, and for the City and other public agencies, at their sole risk and expense, reserves the right to enter the Site or any part thereof at all reasonable times after twenty-four (24) hours' prior written notice to the Developer, and with as little interference as possible, for the purpose of constructing, reconstructing, maintaining, repairing or servicing any of the public improvements or public facilities located on the Site. Any such entry shall be subject to the 24-hour notice requirement unless there is an emergency for which immediate access to the Site is required of the City for any required construction, reconstruction, maintenance, repair or service of the public improvements or public facilities on the Site. The City shall indemnify and hold the Developer harmless from any claims or liabilities pertaining to such entry. Any damage or injury to the Site resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry. The Developer also agrees to give the same rights set forth above to the City and/or other public agencies provided the City and/or other public agencies agree to be bound by the conditions set forth in this Section. The rights set forth in this Section shall be applicable to any portion of the Site.

V [§ 500] DEFAULTS, REMEDIES AND TERMINATION

A. [§501] Defaults - General

Subject to the extensions of time set forth in Section 604 and the cure periods provided in Section 507 hereof, any material failure or delay by either party to perform any term or provision of this Agreement shall constitute a default under this Agreement. The party who fails or delays must promptly commence to cure, correct or remedy such failure or delay and continue to takes all steps necessary to completely cure, correct or remedy such failure or delay with reasonable diligence.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies provided such actions or proceedings are initiated prior to the default being cured by the defaulting party.

B. [§ 502] Legal Actions

1. [§ 503] Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action 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 Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the Federal District Court in the Central District of California; provided, however, that if any such legal action cannot be instituted within said forums, such action must be instituted within the nearest available forum within the State of California.

2. [§ 504] Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

3. [§ 505] Acceptance of Service of Process

In the event that any legal action is commenced by the Developer against the City, service of process on the City shall be made by personal service upon the Executive Director or Chairman of the City, or in such other manner as may be provided by law.

In the event that any legal action is commenced by the City against the Developer, service of process on the Developer shall be made by personal service upon any officer or managing member of the Developer and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

C. [§ 506] Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. [§ 507] Damages

If either party is in default with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within ten (10) days after receipt of a notice of default in the event of a monetary obligation, or within thirty (30) days for any other type of default, then the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default. However, in the event that the default (other than a monetary obligation) is the type in which the defaulting party is incapable of curing

within the thirty (30) day cure period, then if the defaulting party fails to commence the necessary actions to cure the default within the requisite thirty (30) days and fails to continuously and diligently cure the subject default within a reasonable period of time after commencement, then the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default.

E. [§ 508] Specific Performance

If the City is in default with regard to any of the provisions of this Agreement, the Developer shall serve written notice of such default upon the City. If the default is not cured by the City within ten (10) days after receipt of the notice of default in the event of a monetary obligation, or within thirty (30) days for any other type of default, then the Developer may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement against the City with respect to such default. However, in the event that the default (other than a monetary obligation) is the type in which the City is incapable of curing within thirty (30) days, then if the City fails to commence the necessary actions to cure the default within the thirty (30) day cure period and thereafter fails to cure the subject default in a continuous and diligent manner within a reasonable period of time after commencement, then the Developer may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement against the City with respect to such default.

F. [§ 509] Remedies and Rights of Termination

1. [§510] Termination by Developer

In the event that prior to the date established in the Schedule of Performance (Attachment No. 3) for the conveyance of title and possession of the Site to the Developer:

a. the Developer is unable, despite commercially reasonable efforts, and within the time established respectively therefor in the Schedule of Performance to obtain approval from the City of any requisite Preliminary Subdivision Map, or Final Subdivision Map with respect to the Site, as referred to as "Subdivision Maps" in Section 703 of this Agreement; or

b. the Developer is unable, despite commercially reasonable efforts, to obtain financing consistent with this Agreement, for the acquisition of the Sales Parcel and construction and development of the improvements on the Site in accordance with this Agreement and the Scope of Development (Attachment No. 4) and deliver to the City any submission of evidence of financing referred to in Section 219 within the time established therefor in the Schedule of Performance; or

c. the Developer is unable, despite commercially reasonable efforts, to obtain prior to the date established in this Agreement for conveyance of the Sales

Parcel, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the City:

i) final discretionary permits and/or approvals required for the development of the Site by the City or any other governmental entity having applicable jurisdiction; or

ii) all utility permits including any applicable sewer and water permits; or

iii) building permits; or

d. the Developer shall reasonably determine that the condition on the Sales Parcel is not suitable for development thereon pursuant to Section 212 of this Agreement prior to the conveyance date established therefor in the Schedule of Performance; or

e. the Developer is unable, despite commercially reasonable efforts, to obtain and submit to the City any submission of evidence of financing commitments referred to in Section 219 of this Agreement with respect to the Site, within the time established respectively therefor in the Schedule of Performance; or

f. the City is unable, despite commercially reasonable efforts, to tender conveyance of title to Sales Parcel or possession thereof to the Developer in the manner and condition, and within the established time therefor in the Schedule of Performance and such failure is not be cured within thirty (30) days after the date of written demand by the Developer; or

g. the City fails, despite commercially reasonable efforts, to timely perform any other material obligation of the development as required under this Agreement and such failure is not cured within thirty (30) days after the date of written demand by the Developer, then this Agreement may, at the option of the Developer, be terminated by giving written notice thereof to the City, and except to the extent provided in the Method of Financing (Attachment No. 2), neither the City nor the Developer nor any successor in interest shall have any further rights against or liability to the other under this Agreement with respect to the Site, other than the disposition of the Good Faith Deposit which shall be disposed of in accordance with Section C of the Method of Financing (Attachment No. 2).

2. [§511] Termination by City

In the event that prior to the date established in the Schedule of Performance (Attachment No. 3) for the conveyance of title and possession of the Site to the Developer:

a. the Developer shall fail to deliver to the City any submission of evidence of financing commitments referred to in Section 214 of this Agreement with respect to the Site within the times established therefor in the Schedule of Performance (Attachment No. 3); or

b. the Developer (or any successor in interest), in violation of the provisions of this Agreement, assigns or attempts to assign the Agreement or any right herein, or in the Site (or portion thereof); or

c. there is a substantial change in the ownership of the Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of Sections 107 and 108 hereof; or

d. the Developer does not deliver any submission of plans, drawings, and related documents as required by this Agreement by the dates respectively provided in this Agreement without the advance written consent of the City; or

e. the Developer does not pay the purchase price and take title and possession to the Sales Parcel by the date provided therefor in the Schedule of Performance (Attachment No. 3), under a tender of conveyance by the City pursuant to this Agreement; or

f. the Developer is unable, despite commercially reasonable efforts, to obtain prior to the date established in this Agreement for conveyance of the Site, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the City:

   i) final discretionary permits and/or approvals required for the development of the Site by the City or any other governmental entity having applicable jurisdiction;; or

   ii) all utility permits including any applicable sewer and water permits; or

   iii) building permits; or

g. the Developer is unable, despite commercially reasonable efforts, and within the time established respectively therefor in the Schedule of

Performance, to obtain approval from the City any Preliminary Subdivision Map or Final Subdivision Map required by the City, if any, with respect to the parcels comprising the Site, as referred to as Subdivision Maps in Section 703 of this Agreement; or

h. the Developer fails to timely perform any other material obligation of the development of the Site as required under this Agreement, and any such default(s) or failure(s) referred to in subdivisions (a) through (h) of this Section shall not be cured within thirty (30) days after the date of written demand by the City,

then this Agreement and any rights of the Developer, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the City shall, at the option of the City, be terminated with respect to the Site by written notice thereof to the Developer, and except to the extent provided in the Method of Financing (Attachment No. 2) neither the City nor the Developer, nor any assignee or transferee of the Developer, shall have any further rights against or liability to the other under this Agreement with respect to the Site, other than the disposition of the Good Faith Deposit which shall be disposed of in accordance with Section C of the Method of Financing (Attachment No. 2).

G. [§512] Right of Re-Entry

The City shall have the right, at its sole option, to reenter and take possession of the Sales Parcel (or the applicable portion thereof) with all improvements thereon, and to terminate and revest in the City the estate theretofore conveyed to the Developer, if after conveyance of title or possession to the applicable portion of the Sales Parcel and prior to the recordation of the Release of Construction Covenants pertaining to the Site (or applicable portion thereof), the Developer (or its successors in interest) shall:

(a) fail to commence construction of the Improvements as required by this Agreement for a period of thirty (30) days after title and/or possession of the Sales Parcel has been conveyed to the Developer, provided that the Developer has not obtained an extension or postponement of time pursuant to Section 604 hereof; or

(b) abandon or substantially suspend construction of the Improvements for a period of three (3) consecutive months after written notice of such abandonment or suspension has been given by the City to the Developer; provided Developer has not obtained an extension or postponement of time pursuant to Section 604 hereof; or

(c) assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this Agreement, and such violation shall not be cured within thirty (30) days after the date of receipt of written notice thereof by the City to the Developer.

Such right to re-enter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(a) any mortgage, deed of trust, or other security interests permitted by this Agreement with respect to the Site (or applicable portion thereof); or

(b) any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests.

The rights established in this Section 512 shall not apply to the Sales Parcel or any part thereof on which any improvements to be constructed thereon have been completed in accordance with the Agreement and for which a Release of Construction Covenants has been recorded therefor as provided in Section 324.

The Grant Deed to the Sales Parcel shall contain appropriate reference and provision to give effect to the City's right, as set forth in this Section 512 under specified circumstances prior to the recordation of the Release of Construction Covenants, to re-enter and take possession of the Sales Parcel (or any portion thereof), with all improvements thereon, and to terminate and revest in the City the estate conveyed to the Developer.

Subject to the rights of the holders of security interests as stated in subparagraphs (a) and (b) above, upon the revesting in the City of title to the Sales Parcel, or any part thereof, as provided in this Section 512, the City shall, pursuant to its responsibilities under state law, use its commercially reasonable efforts to resell the Sales Parcel, or part thereof, as soon and in such manner as the City shall find feasible and consistent with the objectives of the Community Redevelopment Law and the Redevelopment Plan to a qualified and responsible party or parties (as determined by the City in its sole discretion), who shall have no obligation to complete the Improvements, but shall develop the Sales Parcel, or applicable part thereof, in accordance with the uses specified in the Redevelopment Plan as determined by such parties.

Upon such resale of the Sales Parcel, or any part thereof, the proceeds thereof shall be applied:

(a) first, to reimburse the City on its own behalf or on behalf of the City, all reasonable costs and expenses incurred by the City, including but not limited to fees of consultants engaged in connection with the recapture, management, and resale of the Sales Parcel, or applicable part thereof (but less any income derived by the City from the sale of the Sales Parcel, or applicable part thereof, in connection with such management); all taxes, assessments and water and sewer charges with respect to the Sales Parcel, or applicable part thereof (or, in the event the Site, or part thereof, is exempt from taxation or assessment or such charges during the period of City ownership, then such taxes, assessments, or charges, as would have been payable if the Site, or applicable part thereof, was not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to

obligations, defaults, or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or part thereof on the Sales Parcel, or applicable part thereof; and any amounts otherwise owing to the City by the Developer and its successor or transferee; and

(b) second, to reimburse the Developer, its successor or transferee, up to the amount equal to (1) the sum of the purchase price paid to the City by the Developer for the Sales Parcel (or allocable to the part thereof); and (2) the hard and soft costs reasonably incurred for the development of the Site attributable to the Sales Parcel, or applicable part thereof, or for the construction of the Improvements thereon attributable to the Sales Parcel, or applicable part thereof, less (3) any gain or income withdrawn or made by the Developer therefrom or from the improvements thereon attributable to the Sales Parcel, or applicable part thereof.

Any balance remaining after such reimbursements shall be retained by the City as its property.

To the extent that the right established in this Section 512 involves a forfeiture, it must be strictly interpreted against the City, the party for whose benefit it is created. The rights established in this Section 512 are to be interpreted in light of the fact that the City will convey the Site, to the Developer for development and not for speculation in undeveloped land.

VI. [§ 600] GENERAL PROVISIONS

A. [§ 601] Notices, Demands and Communications between the Parties

Formal notices, demands, and communications between the City and the Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested or by reputable overnight service that maintains delivery receipts (e.g., Federal Express) to the principal offices of the City and the Developer, as designated in Sections 106 and 107 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 601.

B. [§ 602] Conflicts of Interest

No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

The Developer warrants 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 other than as specified in Section 607.

C. [§ 603] Nonliability of City Officials and Employees

No member, official, employee or consultant of the City or the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or to its successor, or on any obligations under the terms of this Agreement.

D. [§ 604] Enforced Delay: Extension of Time of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplies, acts of the other party, acts or failure to act of the City or any other public or governmental agency or entity (other than an act or failure to act of the City or the City which shall give rise to the delaying act described above) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within sixty (60) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the City and the Developer.

Wherever this Agreement refers to performance by a specific time, or in accordance with the Schedule of Performance (Attachment No. 3), including without limitation in Sections 510 and 511 hereof, such times shall include any extensions pursuant to this Section 604.

E. [§ 605] Inspection of Books and Records

Prior to the issuance by the City of a Release of Construction for the development of the entire Site as contemplated by this Agreement, the City shall have the right at all reasonable times upon twenty-four (24) hour written notice to inspect the books and records of the Developer pertaining to the Site as pertinent to the purposes of this Agreement when needed by the City to: (1) establish the evidence of financing referred to in Section 214; (2) determine the costs, consideration and any excess consideration under Section 316; (3) determine the amount of payment provided for under Section 321; (4) to determine amounts necessary to cure under Section 322 and 323; and (5) determine the amounts due in connection with the right of re-entry referred to in Section 512.

F. [§ 606] Approvals

Except where this Agreement expressly provides for an approval of either party in its sole discretion, approvals required of the City or the Developer shall not be unreasonably withheld.

G. [§ 607] Real Estate Commissions

The City and the Developer each acknowledge and represents to the other that neither has employed the services of any brokerage firm, broker, agent, or finder in connection with this transaction and shall not be liable for any real estate commissions, brokerage fees or finders fees which may arise from the sale of the Site to Developer. In this regard, each party agrees to defend and hold the other party harmless from any claim by any broker, agent of finder retained by the any party hereto. In addition, each party represents to the other party that it has not incurred any liability for the payment of any real estate commission or brokerage or finder's fee in connection with this Agreement.

H. [§ 608] Attorneys' Fees

In the event that any litigation is commenced between the parties to this Agreement concerning any provision of this Agreement, including all attachments hereto, or the rights and obligations of any party, the parties to this Agreement hereby agree that the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted by the court, to a reasonable sum as and for its attorneys' fees in that litigation which shall be determined by the court in that litigation or in a separate action brought for that purpose.

VII. [§ 700] SPECIAL PROVISIONS

A. [§ 701] Employment and Training Agreement

The Developer and the City shall execute the Employment and Training Agreement which is incorporated herein and attached to this Agreement as Attachment No. 6, concurrently with the execution of this Agreement which shall provide for certain contracting and employment and training opportunities for qualified residents of the City of Inglewood.

B. [§ 702] Tenant/Buyer Review and Approval

Except as otherwise provided in this Agreement, all tenant/buyer space leased/purchased within any portion of the Improvements constructed on the Site by the Developer shall be subject to City approval. City approval shall not be unreasonably withheld, conditioned or delayed and shall be given or denied within five (5) business days following City receipt of written notification from the Developer identifying the proposed tenants/buyers.

C. [§ 703] Subdivision Maps

Within the times established respectively therefor in the Schedule of Performance (Attachment No. 3), the Developer, if required by the City, shall prepare and use diligent and good faith efforts to obtain approval from the City of any "Subdivision Maps" required for the development of the Sales parcel and the Participating Parcel as the Site and cause the recordation of such Subdivision Maps as appropriate. Wherever used herein the term Subdivision Maps shall include the processing of all related documents and drawings as well as related public right-of-way vacations and dedications necessary and/or appropriate for the development of the Site.

The City shall cooperate with the Developer to obtain approval from the City of any Subdivision Maps. Any Subdivision Maps shall also be subject to approval by the City.

D. [§ 704] Landscape Maintenance Assessment

The Developer shall comply with all terms and conditions set forth in any established or subsequently established landscape maintenance assessment district.

E. [§ 705] Assessment District

The Developer shall comply with all terms and conditions set forth in any established or subsequently established assessment district.

F. [§ 706] Reciprocal Easement Agreements

[Reserved]

G. [§ 707] Employment and Training Requirements

Notwithstanding anything contained in this Agreement and the Attachments to the contrary, the Developer, for itself as well as any and all successors-in interest to the Site, hereby agrees to comply and/or cause the compliance with the contracting as well as employment and training requirements set forth in the Employment and Training Requirements, which is attached to this Agreement as Attachment No. 6.

H. [§ 708] Removal of Site from Los Angeles County Property Tax Rolls

Moreover, and notwithstanding anything contained in this Agreement and the Attachments to the contrary, the Developer, for itself as well as any and all successors-in interest to the Site, hereby acknowledge and agree that City participation is predicated upon the development of the Site by the Developer and the continued operation of the Site and all portions thereof, remaining on the Los Angeles County Property Tax Rolls during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the City to the Developer pursuant to Section 324 of this Agreement, whichever is longer (the "Effective Period") , and that neither it nor any of its successors-in interest to the Site, or any portion thereof, shall remove or cause the removal of the Site or any portion thereof, from the Los Angeles County Property Tax Rolls during the Effective Period except in the event of a purchase of the Site or any portion thereof, pursuant to an eminent domain case filed against the Site. In the event of such removal in violation of this Section 708, the Developer, any and all successors-in interest to the Site (as applicable), shall be fully responsible for the payment of the "Additional Purchase Price" as set forth in the Grant Deed (Attachment No. 5) and Agreement Containing Covenants Affecting Real Property (Attachment No. 7).

I. [§ 709] Agreement Containing Covenants Affecting Real Property

The Developer hereby agrees to execute for recordation with the Los Angeles County Recorder's Office that certain Agreement Containing Covenants Affecting Real Property (the "Covenant Agreement") in the form attached hereto as Attachment No. 7 and establishing certain development standards and requirements for the Participating Parcel in accordance with the requirements of this Agreement. The Covenant Agreement is fully incorporated herein by this reference.

VIII. [§ 800] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement shall be executed in five duplicate originals each of which is deemed to be an original. This Agreement includes forty-four (44) pages and eight (8) attachments which constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Site.

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the grant deed conveying title to the Site and this Agreement shall continue in full force and effect with respect to the Site from the date on which this Agreement is executed by the City until a Release of Construction Covenants for the Site (or applicable portion thereof) as provided in Section 324 is recorded.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Developer and/or any of the Developer's lenders for the Site.

This Agreement and any provisions hereof may be amended by mutual written agreement by Developer and the City and any such lender, and such amendment shall not require the consent of any other fee owner, tenant, lessee, easement holder, licensee, or any other person or entity having an interest in the Site.

IX. [§ 900] TIME FOR ACCEPTANCE OF AGREEMENT BY CITY; DATE OF AGREEMENT

This Agreement, when executed by the Developer and delivered to the City, must be authorized, executed and delivered by the City to the Developer within sixty (60) days after this Agreement is signed by the Developer, or this Agreement may be terminated by the Developer on written notice to the City. The effective date of this Agreement shall be the date it is signed by the City.

CITY OF INGLEWOOD
(City)

Dated: 1/31/2012

By: _____
Mayor

K.P AUTO CENTER, L.P.
a California Limited Partnership
(Developer)

By: Koper Car Corporation
a California corporation
(General Partner)

Date: 1/31/12

By: _____
Michael Koper
President

APPROVED AS TO FORM AND
LEGALITY ON THIS 31st
day of January, 2012.

CAL P. SAUNDERS
City Attorney

By: Cal P. Saunders
Cal P. Saunders

APPROVED:

KANE, BALLMER AND BERKMAN
Special Counsel

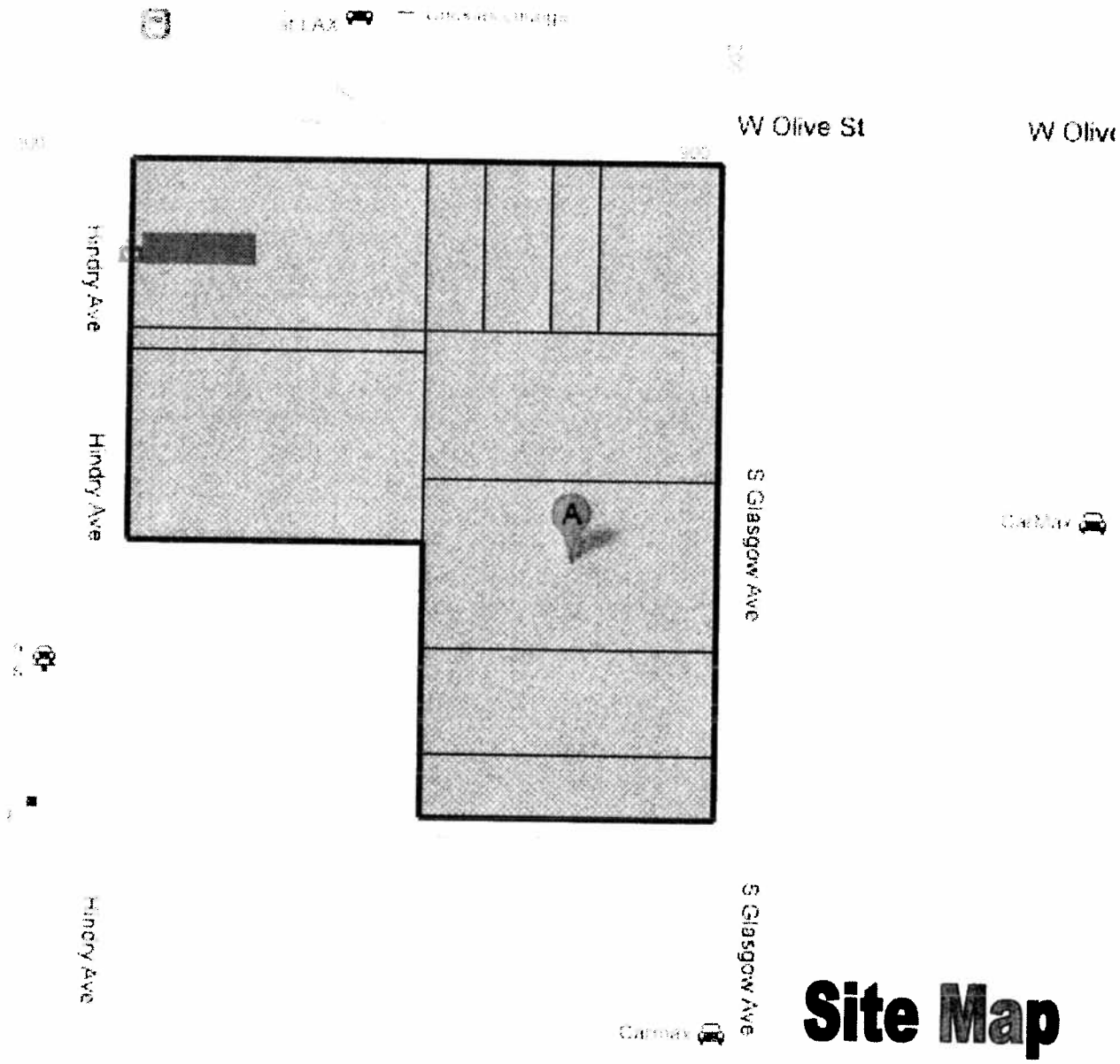
By: _____
Royce K. Jones

ATTEST:

CITY CLERK

By: _____
Yvonne Horton

Attachment 1



Site Map

Auto Mall Site

Establishment of a new automobile dealership comprised of new construction of a one-story 10,375 square-foot building and a existing new automobile dealership comprised of a one-story 20,400 square-foot building used as an automobile showroom and offices and a 15,197 one-story square-foot building used for automobile service and repair on an approximately 4.32 acre C-3 (Heavy Commercial) and M-1 (Light Manufacturing) site comprised of 11 parcels.

308 HINDRY AVE (APN 4126-008-005), No Address Available (APN 4126-008-006), 324 HINDRY AVE (APN 4126-008-007), 916 W OLIVE ST (APN 4126-008-901), 912 W OLIVE ST (APN 4126-008-902), 900 W OLIVE ST (APN 4126-008-904), 327 S GLASGOW AVE (APN 4126-008-905), 347 S GLASGOW AVE (APN 4126-008-906), 920 W OLIVE ST (APN 4126-008-907), 315 S GLASGOW AVE (APN 4126-008-908), and 343 S GLASGOW AVE (APN 4126-008-909)

LEGAL DESCRIPTION

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

PARCEL 1:

THE WEST 50 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:

THE EAST 50 FEET OF THE WEST 100 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-901

PARCEL 3:

THE EAST 41 FEET OF THE WEST 141 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-902

PARCEL 4:

LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:

LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:

THE NORTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF

EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:

THE SOUTH 55 FEET OF LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:

THE NORTH 55 FEET OF LOT 38 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-906

PARCEL 9:

THE SOUTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-909

ATTACHMENT NO. 2

METHOD OF FINANCING

I. DEVELOPER'S PURCHASE PRICE

A. Amount of Purchase Price

The Developer shall pay to the City a purchase price for the Sales Parcel in the amount of One Million Three Hundred Thousand Dollars ($1,300,000) (the "Purchase Price").

B. Payment of Purchase Price for the Sales Parcel

The Purchase Price to be paid for by the Developer for the Sales Parcel shall be deposited into the escrow (Section 200 of the Agreement) within the time and in the manner required by the Schedule of Performance (Attachment No. 3), to be disbursed to the City upon the conveyance of title or possession of the Sales Parcel to the Developer.

II. EXCESS PURCHASE PRICE

Moreover, notwithstanding anything contained herein to the contrary, in the event that in violation of the Agreement, the Developer assigns the Agreement or any of the rights therein, or does sell, transfer, convey or assign any part of the Sales Parcel or the buildings or structures thereon prior to the issuance of the Release of Construction Covenants, the City shall be entitled to the "Excess Purchase Price" (as defined in Section 108 of the Agreement) and until paid, shall have a lien on the Site and any portion thereof, in the amount of the Excess Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to develop the Site (or portion thereof) as authorized in the Agreement.

III. ADDITIONAL PURCHASE PRICE

Moreover, notwithstanding anything contained herein to the contrary, the Developer acknowledges and agrees that the development and private ownership of the Site is essential to the effective redevelopment and financing of redevelopment activity within the Project Area. As such, the Developer hereby agrees on behalf of itself and any successors-in-interest of the Site, that upon the sale of the Site or any portion thereof, resulting in the removal of the Site or any portion thereof, from the Los Angeles County property tax roll, an "Additional Purchase Price" shall be fully due and payable to the City by the Developer or its successor-in-interest upon the close of escrow of such sale in accordance with Section 708 of the Agreement and Paragraph 4(b) of the Grant Deed (Attachment No. 5) and Paragraph 3(b) of the Agreement Containing Covenants Affecting Real Property (Attachment No. 7). Until paid in full, the City shall have a lien on the Site and/or the applicable portion thereof,

in the entire amount of the Additional Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized in the Agreement.

III. PUBLIC FINANCING

The City shall have no responsibility (financial or otherwise) for construction and development of any of the improvements on the Site. Nor shall the City have any responsibility (financial or otherwise) for the installation of any public improvements required as part of the development of the Site. All such

IV. DEVELOPER'S GOOD FAITH DEPOSIT

The Developer shall deposit with the City within five (5) days following written notice from the City indicating that it has approved the Agreement, the sum of Fifty Thousand Dollars ($50,000) as a good faith deposit (the "Deposit"). The Deposit shall be fully refundable to the Developer or, at the discretion of the Developer, applied towards the Basic Purchase Price of the Site upon the conveyance of the Site to the Developer by the City. However, notwithstanding anything contained herein and in the Agreement to the contrary, in the event the Agreement is terminated prior to the time for the conveyance of the Site to the Developer by the City as established in the Schedule of Performance, Attachment No. 3 of the Agreement, and the Developeris not in default of the Agreement at such time of the subject termination, then $25,000 of the Deposit shall be retained by the City and applied towards various City costs (regardless of the actual amount of such costs) with the remaining $25,000 returned or refunded to the Developer within forty-five (45) days following the termination date of the Agreement. Interest on the returned amount of the Deposit shall only be payable by the City to the extent and rate that interest was paid and received by the City on the Deposit.

In the event of a termination of the Agreement prior to the time for the conveyance of the Site to the Developer by the City as established in the Schedule of Performance, Attachment No. 3 of the Agreement, and the Developer is in default of the Agreement at the time of such termination, then the City shall be entitled to and shall retain the entire amount of the Deposit, and the City shall be entitled to pursue any and all additional remedies set forth in Section 500 et seg., of the Agreement. Notwithstanding the foregoing, in the event of an award of monetary damages to the City due to a Developer default, the entire amount of the Deposit shall be credited against such damages. However, under no circumstances shall any portion of the Deposit be returned to the Developer in the event of a Developer default.

In the event of a termination of the Agreement prior to the time established in the Schedule of Performance, Attachment No. 3 of the Agreement, for the conveyance of the Site to the Developer by the City, and the City is in default of the Agreement at the time of such termination, then the entire amount of the Deposit shall be returned or refunded to the Developer within forty-five (45) days following the termination date of the Agreement, and the Developer shall be entitled to pursue any and all additional remedies set forth in Section 500 et seg., of the Agreement.

The City shall be under no obligation to pay or earn interest on the Deposit. However, any interest accrued, earned or paid thereon shall be payable to the Developer along with the Deposit.

Both the City and the Developer acknowledge the following:

THAT MINIMUM DAMAGES MAY BE PAID TO THE CITY FROM THE DEPOSIT AS A RESULT OF THE FAILURE OF THE DEVELOPER TO PERFORM CERTAIN ACTS AND OBLIGATIONS REQUIRED OF IT UNDER THE AGREEMENT. THE CITY AND DEVELOPER ARE AWARE OF AND UNDERSTAND THE PROVISIONS OF CALIFORNIA CIVIL CODE '' 1671 AND 1676 PERTAINING TO LIQUIDATED DAMAGES, AND AGREE THAT PURSUANT TO CIVIL CODE '3389, THE DEVELOPER IS WILLING TO PAY SUCH DAMAGES SHOULD IT BE IN DEFAULT OF THE PROVISIONS OF THIS AGREEMENT. THEREFORE, THE CITY AND THE DEVELOPER MUTUALLY AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL MINIMUM DAMAGES TO THE CITY IN CASE OF SUCH FAILURES OF THE DEVELOPER, AND THAT THE AMOUNT SET FORTH HEREIN AS THE DEPOSIT IS A REASONABLE ESTIMATE OF THE TOTAL DAMAGES WHICH THE CITY WOULD SUFFER. THE RETENTION BY THE CITY OF ANY OF THE DEPOSIT AS DAMAGES SHALL, THEREFORE, BE THE CITY=S SOLE REMEDY AGAINST THE DEVELOPER UPON TERMINATION BY THE CITY AS SET FORTH ABOVE AND ANY OF THE DEVELOPER=S DEPOSIT RETAINED BY THE CITY SHALL THEREAFTER BE THE PROPERTY OF THE CITY WITHOUT ANY DEDUCTION, OFFSET, OR RECOUPMENT (OR ANY RIGHT THEREOF) WHATSOEVER.

City's Initials _____ Developer's Initials _____

Attachment No. 2A

Project Budget

Land Area	acres 2.70	square feet 117,612		Totals
SITE WORK CONSTRUCTION COSTS				
Site Grading	$10,000	per acre	27,000	
Site Utilities	$37,000	per acre	100,000	
Fill / Removal of non-compactable soil & fill with compactable			30,000	
Site Paving	$3.00	per sq ft	352,836	
Lighting			150,000	
Landscaping			90,000	
Curbs, Gutters			80,000	
Fencing			25,000	
Signage			45,000	
Offsite Development - Water / Sewer			60,000	
Offsite Development - Storm Drainage			30,000	
Offsite Development - Other	sidewalks		80,000	
Contractor's Bond	1.50%	of site work	16,048	
Contractor's Overhead & Profit	15.00%	of site work	160,475	
Site Work Contingency	10.00%	of site work	106,984	
Subtotal				**$ 1,353,343**
BUILDING CONSTRUCTION COSTS				
Building Construction	10,000	square feet @ $125	1,250,000	
Mechanical & Electrical & HVAC			125,000	
Tenant Finish -Showrooms, Offices & Service	SF		90,000	
Other Construction	SF			
Builders Risk insurance				
Landscaping		Included in the above		
Permanent signage				
Insurance			5,000	
Temporary Signage			5,000	
Contractor's Bond			0	
General Conditions	1.50%			
Contractor Overhead & Profit				
Construction Contingency	15.00%			
Other Equipment	10.00%			
All Permits - Building, Electrical, Utility, etc			95,000	
Subtotal				**$ 1,570,000**
DESIGN & ENGINEERING COSTS				
Design			20,000	
Landscape Design			6,000	
Allow for Other Design & Engineering			5,000	
Civil Engineering			25,000	
Other - Design & Engineering - Mechanical & Electrical			12,000	
Material Testing			2,000	
Subtotal				**$ 70,000**
OTHER DEVELOPMENT COSTS				
Blueprints & Copies			750	
Progress Photos			250	
Development Fee - Design & Soft Costs			55,000	
Misc Operating Expenses				
Subtotal				**$ 56,000**
TOTAL DEVELOPMENT COSTS (before land cost)				**$ 3,049,343**

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

I. GENERAL PROVISIONS

1.	Execution of Agreement by City. City shall hold a public hearing on the Agreement, shall authorize execution and execute the Agreement and shall deliver the Agreement to Developer.	Within sixty (60) days after the Agreement is executed by Developer and submitted to City.
2.	Submission - Architect, Landscape Architect and Civil Engineer. Developer shall submit to City for approval of the names and qualifications of its Architect, Landscape Architect, and Civil Engineer.	Within sixty (60) days after the Agreement is executed by Developer and submitted to City.
3.	Approval - Architect, Landscape Architect and Civil Engineer. City shall approve or disapprove the Architect, Landscape Architect, and Civil Engineer.	Within thirty (30) days after receipt by the City.
4.	Submission - Basic Concept Drawings. Developer shall prepare and submit to City for approval the Basic Concept Drawings and related documents for the Site.	Prior to or concurrent with execution of the Agreement by the Developer.
5.	Approval - Basic Concept Drawings. City shall approve or disapprove Basic Concept Drawings and related documents for the Site.	Within thirty (30) days after receipt by the City.
6.	Delivery of Good Faith Deposit. Developer shall deliver to City its good faith deposit in the amount and form required by Section B. of the Method of Financing (Attachment No. 2).	Within five (5) days following written notice from the City that is has approved the Agreement.
7.	Access for Soils Investigation. City shall provide Developer with access to the Site for soils investigations pursuant to Section 212 of the Agreement.	Within five (5) days after written request from the Developer.

COPY of Document Recorded

Has not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR-RECORDER

Entitled to Free Recording
Gov Code sections 6103, 27383

Recording Requested by:

CITY OF INGLEWOOD

02/07/2012
20120216733

When Recorded Return to:

City of Inglewood
One Manchester Boulevard
Inglewood, California 90301
Attn: Redevelopment Manager
Fourth Floor

APNs: 4126-008-005, -006, -007
-901, -902, -904, -905, -906, -907, -908, & -909

SPACE ABOVE THIS LINE FOR RECORDING USE

AGREMEENT CONTAINING COVENANTS AFFECTING REAL PROPERTY

THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (the "Agreement") is entered into this 31st day of January, 2012, by and between the CITY OF INGLEWOOD, (hereinafter referred to as "City") and K.P. AUTO CENTER, L.P., a California limited partnership (hereinafter referred to as "Developer") with reference to the following:

A. Developer is the present owner of that certain real property consisting of approximately 1.57 acres (the "Property") located in the City of Inglewood, County of Los Angeles, State of California and legally described in the Exhibit "A" attached hereto and fully incorporated herein by this reference.

B. The Property is also located within the Merged Inglewood Redevelopment Project area (the "Project Area") of the City of Inglewood and subject to the provisions of the Redevelopment Plan for the Project Area adopted by Ordinance Nos. 02-07, 02-08, 02-09, and 02-10 on February 26, 2002 by the City Council of the City of Inglewood.

C. This Agreement is entered into and recorded in accordance with the Redevelopment Plan and pursuant to the terms and provisions of that certain "Disposition and Development Agreement" entered into by and between City and Developer on January 31, 2012 (the "DDA").

NOW, THEREFORE, CITY AND DEVELOPER AGREE AS FOLLOWS:

1. Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that the Property shall be developed and used in accordance with the Redevelopment Plan and pursuant to the terms and provisions of the DDA.

2. Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

a The Property shall be devoted only to the development permitted and the uses specified in the applicable provisions of the Redevelopment Plan and this Agreement to be Recorded Affecting Real Property, whichever document is more restrictive.

b. There shall be constructed upon the Property and the contiguous real property hereinbelow described in paragraph 2.d., approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square fee and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto (the "Improvements"), all in accordance with plans and specifications prepared by the Developer and approved by the City and City of Inglewood.

c. During construction and thereafter, Developer shall maintain the improvements on the Property and in the public rights-of-way (curb to property line) on all sides of the Property, and shall keep the Property and such public rights-of-way free from any accumulation of debris or waste materials. During construction and thereafter, Developer shall also maintain the required landscaping on the Property and in such public rights-of-way in a healthy condition.

d. The Property shall only be used as herein provided in conjunction with that certain contiguous real property (the "Sales Parcel") conveyed to the Developer by the City pursuant to the terms of the DDA, located in the City of Inglewood, County of Los Angeles, State of California legally described in the attached Exhibit "B". However, notwithstanding anything contained in this Covenant Agreement to the contrary, the development and use restrictions established in this Paragraph 3(d) shall remain in effect throughout the duration of the Redevelopment Plan, as it may be amended or five (5) years following the issuance by the City of a Release of Construction Covenants provided for in Section 324 of the DDA, whichever is sooner. Both the Property and the Sales Parcel is sometimes collectively, referred to herein as the "Site.

e. Grantee and all persons claiming under or through them, including without limitation tenants, lessees, subtenants, sublessees and any other operator of a business on the Property, or any portion thereof, shall comply with the Employment and Training Requirements (the "Job Training Program") which attached to the DDA as Attachment No. 6 and fully incorporated herein by this reference.

f. Grantee shall not store any materials, equipment, supplies or products outside the buildings and structures developed on the Property unless

prior written approval is obtained from the City. If any outdoor storage is approved, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

The Sales Parcel is conveyed to the Developer by virtue of and in accordance with the substantial public aids that have been made available by law for the purpose of redeveloping the Site including without limitation the use and/or pledge of expected receipts of ad valorem property tax revenues allocated to the City pursuant to Article XVI, Section 16 of the California Constitution and Health & Safety Code §§ 33670 et seq. (the "CRL") Therefore, Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall not during the effectiveness of the Redevelopment Plan, as it may be amended, or five (5) years following the issuance of the Release of Construction Covenants by the City to Developer pursuant to Section 324 of the DDA, whichever is sooner: (i) remove the Property or any portion thereof, from the Los Angeles County Tax Roll ; or (ii) contest the validity or the amount, in part or in full, whether by property tax assessment appeal or otherwise, of any property tax assessment imposed upon the Property (or any interest therein) by the Los Angeles County Assessor or other official responsible for such assessments, which is the basis for property taxes which it is obligated to pay in connection with its ownership of any interest in the Property, and which contest would result in a property tax assessment applicable to any parcel comprising the Property and the contiguous real property referred to in paragraph 2.d. above.

3. Prior to the recordation of a Release of Construction Covenants issued by City for the improvements to be constructed on the Property or on any part thereof:

a. Developer shall not make any sale, transfer, conveyance or assignment of the Property or any part thereof, or the buildings or structures thereon, without the prior written approval of the City, except as expressly permitted by the DDA. In the event that Developer does sell, transfer, convey or assign any part of the Property or buildings or structures thereon, prior to the recordation of a Release of Construction Covenants, in violation of the DDA or this Agreement. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, nor shall it prohibit granting any proposed and/or proposed lease agreements permitted by the DDA and/or security interests permitted by paragraph (3)(c) of this Agreement for financing the development of the Property.

b. However, notwithstanding anything to the contrary, in the event that any such sale, transfer, conveyance or assignment of the Property or any part thereof or the buildings or structures thereon results in the removal of the Property or any portion thereof, from the Los Angeles County Property Tax Roll as set forth above in Paragraph 2 and more specifically described in Section 708 of the DDA and requires the payment of an Additional Purchase Price referred to in Paragraph (2)(d) above (sometimes referred to herein as the "Sales Parcel"), pursuant to the requirements of Section 708 of the DDA, the Developer and/or its successors-in-interest shall pay the Additional Purchase Price to the City with respect to either the Property or the applicable portion thereof, upon the close of escrow regarding such sale and in the amount set forth in Exhibit C which is attached hereto and fully incorporated herein by this reference. Until paid, the Grantor shall have a lien on the Property

or the applicable portion thereof, in the amount of the Additional Purchase Price. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, entry by Grantee into or exercise of its rights under spaces leased within improvements on the Property nor shall it prohibit granting any security interests permitted by paragraph 3(c) of this Agreement for financing the acquisition and/or development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

.. c. Except as otherwise approved by the City, Developer shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, conveyances and leases back or any other form of conveyance required for any reasonable method of financing of the acquisition and/or development of the Property and the contiguous real property referred to in paragraph (3)(d) above, the construction of improvements on the Property and the contiguous real property, and any other expenditures necessary and appropriate to develop the Property and the contiguous real property as permitted by the DDA. Developer shall notify the City in advance of any such conveyance for financing if Developer proposes to enter into the same prior to recordation of a Release of Construction Covenants for the improvements to be constructed on the Property and the contiguous real property. Developer shall not enter into any such conveyance for financing without prior written approval of the City, which approval the City agrees to give if any such conveyance is to a responsible financial or lending institution or other acceptable person or entity.

4. Developer covenants and agrees for' itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Developer itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

5. All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion., national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

6. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, it's successors and assigns, and the City of Inglewood and its successors and assigns, against Developer, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

7. Except as otherwise set forth hereinbelow, every covenant and condition and restriction contained in this Agreement shall remain in effect for the duration of the Redevelopment Plan, as it may be extended, or five years following this issuance of the Release of Construction Covenants as set forth in Section 324 of the DDA, whichever is sooner, at which time said covenants and conditions become null and void. The covenant against contesting any property tax assessment imposed upon the Property shall remain in effect for the period of time set forth in the second full paragraph of Paragraph 2 of this Agreement during which time property taxes are allocated pursuant to the Redevelopment Plan and Section 33670 of the CRL. The covenants against discrimination set forth in Paragraphs 4 and 5 of this Agreement shall remain in perpetuity.

8. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of- protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of City and such covenants shall run in favor of City for the entire period during which such covenants shall be in force and effect, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or

other proper proceedings to enforce the curing of such breach of agreement or covenant.

IN WITNESS WHEREOF, City and Developer have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this 31st day of January, 2012.

CITY OF INGLEWOOD
(City)

By: _____
Mayor

K.P. AUTO CENTER, L.P.,
a California Limited Partnership
(Developer)

By: Koper Car Corporation,
a California corporation
(General Partner)

By: _____
Michael Koper
President

APPROVED AS TO FORM AND LEGALITY ON THIS 31st day of January, 2012.

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

Koper-DDA-At 7
1/8/12
Final

APPROVED:

KANE, BALLMER AND BERKMAN
Special Counsel

By:_____
Royce K. Jones

ATTEST:

CITY CLERK

By:_____
Yvonne Horton

Koper-DDA-At 7
1/8/12
Final

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Los Angeles

On 1/31/12 (Date) before me, Diana Lowe Notary Public (Here Insert Name and Title of the Officer),

personally appeared Michael Koper (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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: Diana Lowe (Signature of Notary Public)

DIANA LOWE
Commission # 1935879
Notary Public - California
Los Angeles County
My Comm. Expires May 9, 2013

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Individual	☐ Individual
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact	☐ Attorney in Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

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Item #5907

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Los Angeles

On 1/31/12 (Date) before me, Diana Lowe, Notary Public (Here Insert Name and Title of the Officer),

personally appeared James T Butts JR (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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: Diana Lowe (Signature of Notary Public)

DIANA LOWE
Commission # 1935879
Notary Public - California
Los Angeles County
My Comm. Expires May 9, 2015

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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Item #5907

Exhibit "A" to Agreement Containing Covenants Affecting Real Property between the City of Inglewood and K.P. Auto Center, L.P.

DESCRIPTION OF PROPERTY

EXHIBIT "A"

PARCEL 1:

LOTS 4 AND 17 EXCEPT FROM SAID LOT 17 THE SOUTH 150 FEET THEREOF, OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 32 AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 32, IN TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THE SOUTH 150 FEET OF LOT 17 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 32, IN TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, AS PER MAP RECORDED IN BOOK 36 PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMONLY KNOWN AS 308-324 HINDRY, INGLEWOOD, CA
APN: 4126-008-005, -006, and -007

Exhibit "B" to Agreement Containing Covenants Affecting Real Property between the City of Inglewood and K.P. Auto Center, L.P.

DESCRIPTION OF CONTIGUOUS PROPERTY

the "Sales Parcel"
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE WEST 50 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:

THE EAST 50 FEET OF THE WEST 100 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-901

PARCEL 3:

THE EAST 41 FEET OF THE WEST 141 FEET OF LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-902

PARCEL 4:

LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:

LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:

THE NORTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:

THE SOUTH 55 FEET OF LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE

COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:

THE NORTH 55 FEET OF LOT 38 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-906

PARCEL 9:

THE SOUTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4126-008-909

[COMMONLY KNOWN AS 912-920 OLIVE, INGLEWOOD, CA
APN: 4126008901, 902, 904-909.]

Exhibit "C" to Agreement Containing Covenants Affecting Real Property
between the City of Inglewood and K.P. Auto Center, L.P.

ADDITIONAL PURCHASE PRICE CALCULATION

Year	Required Payoff
1	$134,619
2	$134,831
3	$134,898
4	$134,809
5	$134,552
6	$134,111
7	$133,474
8	$132,624
9	$131,547
10	$130,224
11	$128,638
12	$126,768
13	$124,595
14	$122,095
15	$119,246
16	$116,024
17	$112,400
18	$108,346
19	$103,834
20	$98,830
21	$93,302
22	$87,212
23	$80,524
24	$73,195
25	$65,184
26	$56,444
27	$46,927
28	$36,581
29	$25,350
30	$13,177

Los Angeles County Registrar / Recorder
12400 Imperial Highway, Norwalk, CA
(800)201-8999

Revenue Collection

NORWALK

Cashier: M. Chacon

20120207004005 7

Tuesday, February 07, 2012 4:38 PM

Item(s)

Fee	Qty	Total
Recorded Document Count = 1		
20120216733		
FREE RECORDING	1	$0.00
AB 1168 REDACTION FEE	1	$0.00
Electronic Recording Fee	1	$0.00
Micrographics Fee	1	$0.00
Days of Operation Fee	1	$0.00
Indexing	1	$0.00
ADDITIONAL PAGE FEE (REVE	16	$0.00
ADDITIONAL PAGE FEE (STAT	16	$0.00
ADDITIONAL PAGE FEE (IMPR	16	$0.00
Subtotal	=	$0.00
Total		**$0.00**

Customer payment(s):

CITY'S ORIGINAL

AGREEMENT NO.: 09-03

THIS AGREEMENT is made and entered into this 13th day of January, 2009 by and between the CITY OF INGLEWOOD (hereinafter referred to as "City") and MEYERS NAVE RIBACK SILVER & WILSON (hereinafter referred to as "Special Counsel,") with its principal place of business located at 333 South Grand Avenue, Suite 1670, Los Angeles, California 90071.

WHEREAS, City is engaged in various litigation and transactional matters in which Special Counsel may be needed; and

WHEREAS, City desires to retain Special Council to provide legal services and representation on issues related to various City matters including the Hollywood Park Project; and

WHEREAS, Special Counsel desires to provide City with legal services and represents that it is ready, willing, able, qualified and experienced to provide such services and representation.

NOW THEREFORE, the parties mutually agree as follows:

Article 1 -- SCOPE OF SERVICES

Special Counsel agrees to render legal services to City when and as requested by the City Attorney and under City's direction regarding certain designated matters.

Legal services to be performed by Special Counsel under this Agreement may include, but are not limited to the rendering of legal advice and consultation; the drafting and preparation of necessary legal documents to effectuate the best interests of City, and all appearances required by a court in litigation involving City and assigned by City Attorney.

Special Counsel shall perform and provide the legal services required to represent and advise the City in connection with the matters assigned to Special Counsel. The City shall identify those matters delegated to Special Counsel in writing. A letter to the City from Special Counsel confirming that such additional

work does not present a conflict, or establishing that such conflict has been waived, if any exist, shall bring such matters within the scope of this Agreement.

Article 2 -- DUTIES OF CITY

City shall provide Special Counsel with such information as is possessed by it and which is normally supplied to attorneys performing such services.

Article 3 -- RESPONSIBLE ATTORNEY

The parties hereto agree that, unless otherwise specifically designated or agreed to by City, David S. Cunningham III, Esq., shall be personally responsible for and supervise all matters assigned to and handled by Special Counsel. Mr. Cunningham is to be paid at the rate of $250 per hour. City shall have the right to designate other specific attorneys associated with Special Counsel to handle any particular matter or matters.

Article 4 -- COMPENSATION

City agrees to pay Special Counsel, for services faithfully rendered hereunder, at the following rates:

Senior Principals ..... $300.00 per hour
Principals ..... $250.00 per hour
Senior Associates ..... $225.00 per hour
Associates ..... $200.00 per hour
Legal Assistant/Paralegal ..... $125.00 per hour

The total compensation provided for pursuant to this Agreement shall not exceed Seventy-Five Thousand Dollars ($75,000) without a request for additional funding. Special Counsel will open individual matters with separate billing numbers for each matter assigned to it. When Special Counsel has reached seventy-five (75%) of the not to exceed amount, it shall notify the City of the need to secure additional funds and the City shall notify Special Counsel within a reasonable time period from such notification whether such additional funds will be sought. If additional funds are necessary for the provision of services as

authorized pursuant to this Agreement, such additional funds must be approved by the City Council and the City will take its best efforts to secure such funding within a reasonable time period.

In addition to the hourly time charges, Special Counsel shall be reimbursed for expenses actually and necessarily incurred including, but not limited to photocopying, long distance telephone charges, facsimile communication charges, overnight courier services, postage, travel expenses, filing fees and similar expenses customarily separately billed by Special Counsel to its clients. If such expenses are significant, Special Counsel may arrange for them to be billed directly to City, if the expenses were authorized by the City Attorney

No work shall be performed by Special Counsel without the prior approval of the City Attorney. Special Counsel shall submit monthly invoices to the City describing the services performed, including times, dates, and names of persons performing the service. Special Counsel shall certify on each invoice that it is entitled to receive the amounts requisitioned. Each invoice shall be in the form and number of copies requested by City.

Payment shall be made as soon as practicable in the ordinary course of City business, after City has approved the invoice for payment. Special Counsel shall maintain proper records of the hours worked pursuant to this Agreement and such records shall be open at any reasonable time for inspection by City.

Article 5 -- INSURANCE REQUIREMENTS

Special Counsel shall provide and maintain, during the term of this Agreement, professional malpractice liability insurance in the amount of $1,000,000.00, as evidenced by a Certificate of Insurance. The Certificate of Insurance shall be filed with City upon execution of this Agreement. The Certificate of Insurance shall be reviewed for approval by the City Attorney or his designee.

///

Article 6 -- FINDINGS CONFIDENTIAL

All reports, documents, findings and conclusions, and any and all similar documents prepared or assembled by Special Counsel under this Agreement are confidential. Special Counsel agrees that no documents prepared or assembled by it under this Agreement shall be made available to any individual or organization without prior written approval of City, unless required by law.

Article 7 -- NON-ASSIGNABILITY

Special Counsel shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without prior written approval of City.

Article 8 -- NOTICE

Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted, and deposited in the United States mail addressed to the respective parties as follows:

City:	With Copy To:
Cal P. Saunders, Esq.	Yvonne Horton,
City Attorney	City Clerk
City of Inglewood	City of Inglewood
One Manchester Boulevard, Suite 860	One Manchester Boulevard
Inglewood, CA 90301-1750	Inglewood, CA 90301

Special Counsel:

David S. Cunningham, III, Esq.
Principal
Meyers Nave Riback Silver & Wilson
333 South Grand Avenue, Suite 1670
Los Angeles, CA 90071

Article 9 -- EQUAL EMPLOYMENT OPPORTUNITY

Special Counsel agrees that during the performance of this Agreement, it

shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability or national origin.

Article 10 -- CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modifications to this Agreement shall be effective unless in writing and signed by authorized representatives of the parties hereto.

Article 11 -- TERMINATION

City and Special Counsel agree that each shall have the right, at any time, to terminate this Agreement upon written notice to the other party. Any notice of termination shall be given in accord with the requirements of Article 8, herein. Special Counsel, upon receipt of a written notice of termination, shall immediately cease to render additional services to City. Such termination shall not, however, relieve City of the obligation to pay the fees due for services rendered and costs incurred prior to such termination.

Article 12 -- WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Special Counsel shall not constitute a waiver of any of the provisions of this Agreement.

Article 13 -- GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue shall lie exclusively in the California Superior Court, County of Los Angeles, Southwest Judicial District. In the event of litigation in the United States District

Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

Article 14 -- SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

Article 15 -- MISCELLANEOUS

The parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

Article 16 -- ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, City and Special Counsel have executed this Agreement as of the date and year first above written.

MEYERS NAVE RIBACK SILVER & WILSON

David S. Cunningham III, Esq.

Title: Principal

CITY OF INGLEWOOD

Roosevelt Dorn

ROOSEVELT DORN,
Mayor

ATTEST:

Yvonne Horton

YVONNE HORTON,
Clerk

APPROVED AS TO FORM:

Cal P. Saunders

CAL P. SAUNDERS, Esq.
City Attorney

N:\JALEWIS\Contracts\(Legal) - Meyers Nave Riback January 2009.doc

MEYENAV-01 ATP

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/21/2008

PRODUCER (800) 877-4560
Diversified Risk/Hub International
Lice[illegible] #0757776
400 [illegible]or Blvd., Suite #300
Pleasant Hill, CA 94523

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Meyers Nave Riback Silver & Wilson
555 12th Street, Suite 1500
Oakland, CA 94607

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Underwriters at Lloyd's, London	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$
		CLAIMS MADE / OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$
		GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC				PRODUCTS - COMP/OP AGG	$
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		OCCUR / CLAIMS MADE				AGGREGATE	$
							$
		DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS / OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					
A		Errors & Omissions	EO0644602008	8/21/2008	8/21/2009	Per Claim & Aggregate:	5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

In the event of cancellation for non-payment of premium, a 10-day notice will apply.
For Errors and Omissions coverage, the Aggregate Limit is the total insurance available for all covered claims reported within the policy period.
A $100,000 deductible applies to each and every claim submitted under the policy.

CERTIFICATE HOLDER

City of Inglewood
One Manchester Blvd., Suite 860
Inglewood, CA 90301-1750

OK CB

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

12-007

CITY'S ORIGINAL

OWNER PARTICIPATION AGREEMENT

by and among

THE CITY OF INGLEWOOD,

a municipal corporation,

"City"

and

THE FORUM ENTERPRISES, INC,

a Delaware corporation

"FEI"

and

MSG FORUM, LLC,

a Delaware limited liability company,

"Participant"

TABLE OF CONTENTS
(continued)

Article I SUBJECT OF AGREEMENT 3
1.1 Definitions 3
1.2 Purpose of the Agreement 7
1.3 The Redevelopment Plan 7
1.4 The Site 7
1.4.1 Condition of Site 7
1.5 Parties to the Agreement 8
1.5.1 City 8
1.5.2 MSG 8
1.5.3 FEI 8
1.5.4 Participant 8

Article II LOAN 8
2.1 City Loan for Rehabilitation 8
2.2 Loan 8
2.3 Release of Loan 8
2.4 Audit and Review of Participant's Investment 9
2.5 Non-Release of Loan to Participant 9

Article III DEVELOPMENT AND USE OF THE SITE 9
3.1 The Site 9
3.2 Development and Rehabilitation of the Site. 9
3.2.1 General 9
3.2.2 Closing 10
3.2.3 Cost of Development and Rehabilitation 10
3.2.4 Schedule of Performance 10
3.3 Plan Submission, Review and Approval 11
3.4 Rights of Access 11
3.5 City Disclaimer 11
3.6 Preferences 11
3.7 Prevailing Wage Requirements 12
3.8 Compliance with Laws 13
3.9 Maintenance of the Site 13
3.10 Nondiscrimination; Equal Opportunity 14
3.11 Obligation to Refrain from Discrimination 14
3.12 Effect and Duration of Covenants 14
3.13 Agreement Regarding Use Covenants 14
3.14 Taxes, Assessments, Encumbrances, and Liens 14
3.15 Prohibition on Assignment and Transfer 15
3.16 Permitted Transferee 15
3.17 Effect of Transfer without City Consent 16
3.18 Recovery of City Costs 16

TABLE OF CONTENTS
(continued)

3.19 Lender Obligations and Protections 16
3.20 Release of Construction Covenants 17

Article IV DEFAULTS, REMEDIES AND TERMINATION 18
4.1 Event of Participant Default 18
4.2 City Default 18
4.3 Remedies 19
4.4 Acceptance of Service of Process 19
4.5 Remedies Cumulative; No Consequential Damages 19
4.6 Effect of Default 19

Article V INSURANCE and indemnification 19
5.1 Insurance 19
5.2 Indemnification 21
5.3 Indemnification Procedures 22

Article VI MISCELLANEOUS 23
6.1 Notices 23
6.2 Non-liability of Officials and Employees 24
6.3 Estoppel Certificates 24
6.4 MSG's Warranties and Representations, as Participant 25
6.5 FEI's Warranties and Representations, as Participant 25
6.6 Time of the Essence; Calculation of Time Periods 25
6.7 Enforced Delay; Extension of Times of Performance 26
6.8 Attorneys' Fees 26
6.9 Authority to Execute Agreement 26
6.10 Advice of Counsel 26
6.11 No Third Party Beneficiaries 26
6.12 Survival 26
6.13 Calendar Days 27
6.14 Effective Date 27
6.15 Construction 27
6.16 Action or Approval 27
6.17 Entire Agreement 27
6.18 Counterparts 27
6.19 Severability 27
6.20 Waiver; Remedies Cumulative 27
6.21 Parties Not Co-Venturers 28
6.22 Governing Law; Venue 28
6.23 Term of Agreement 28
6.24 Construction of Agreement 28
6.25 City Liability Limitation 28

TABLE OF CONTENTS
(continued)

EXHIBITS

EXHIBIT A	–	LEGAL DESCRIPTION OF SITE
EXHIBIT B	–	SCHEDULE OF PERFORMANCE
EXHIBIT C	–	SCOPE OF WORK AND PROJECT BUDGET
EXHIBIT D	–	FORM OF AGREEMENT CONTAINING USE COVENANTS
EXHIBIT E	–	FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT
EXHIBIT F	–	FORM OF RELEASE OF CONSTRUCTION COVENANTS
EXHIBIT G	–	RESERVED
EXHIBIT H	–	EMPLOYMENT AND TRAINING REQUIREMENTS
EXHIBIT I	–	PLANS
EXHIBIT J	–	FORM OF PROMISSORY NOTE
EXHIBIT K	–	FORM OF DEED OF TRUST

E. Section 329 of the Redevelopment Plan specifically authorizes the Agency (and through the Cooperation Agreement, the City) to "advise, encourage, and assist (through a loan program or otherwise) in the rehabilitation and conservation of property in the Merged Project Area not owned by the Agency." In order to facilitate the rehabilitation and restoration of the Site, Participant has requested, and City desires to provide certain financial assistance to Participant in connection with the rehabilitation of the Site; pursuant to which, Participant shall provide for the rehabilitation and restoration of the Forum by providing for the rehabilitation, renovation and development, as applicable, of the Rehabilitation Improvements (as defined in this OPA) necessary to operate the Forum as a large state-of- the- art venue. The City has determined that the revitalization of the Forum is important to the economic vitality of the City. The rehabilitation and modernization of the Forum, and the resulting attractiveness of the City as an entertainment destination, will serve as a focus for development throughout the City and assist in the attainment of the City's economic development goals. The jobs and new revenues expected to be generated by the rehabilitated Forum will be a substantial public benefit that exceeds the City's contemplated investment.

F. The Forum could be considered an historical landmark and has been used as a large-scale venue since its completion in the late 1960's. More than a decade ago the major sports teams that occupied the Forum departed from the City, causing the economic and other public benefits previously associated with the operation of the Forum to be diminished. As such, the City has determined that the purposes of the Redevelopment Plan, and the City's goals and objectives as articulated in the General Plan, can be achieved by encouraging the productive renovation and operation of the Forum, and securing a major private investment in excess of and in conjunction with the City's proposed financial assistance, so that the Forum might be preserved and reestablished as a catalyst for the economic revitalization of the City. In this regard, the Parties have identified a need within the Inglewood community for a large state-of-the-art venue serving the City of Inglewood and surrounding communities. To ensure its competitiveness with other venues in Southern California, the Parties acknowledge and agree that the Forum requires significant rehabilitation and restoration, which due to the fact the Forum could be considered historic, should be undertaken in accordance with the terms and conditions of this OPA and the Secretary of the Interior's Standards for Rehabilitation to avoid any adverse impacts. The rehabilitation and conservation of the Forum, and remediation of certain environmental conditions, will result in a state-of-the-art venue that will provide a source of new jobs and revenue to the City, revitalize an underutilized civic asset, and upgrade the existing recreational and event activities provided by the Forum.

G. The City has determined that development of the Site pursuant to this OPA is consistent with the Redevelopment Plan and the Implementation Plan for the Project Area and the Cooperation Agreement, and will be of benefit to the City and the Project Area.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above which are incorporated in this OPA by reference and the mutual covenants and agreements described below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City, FEI and MSG hereby agree as follows:

ARTICLE I
SUBJECT OF AGREEMENT

1.1 Definitions. For purposes of this OPA, capitalized terms have the following meanings.

"**Affiliate**" means (1) any Person directly or indirectly controlling, controlled by or under common control with another Person; (2) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other Person; or (3) if that other Person is an officer, director, member or partner, any company for which such Person acts in any such capacity. The term "control" as used in the immediately preceding sentence shall mean the power to direct the management or the power to control election of the board of directors (or similar governing body).

"**Agency**" is defined in Recital A.

"**Agreement Regarding Use Covenants**" means that certain Agreement Regarding Use Covenants attached hereto as Exhibit D and incorporated in this OPA by this reference.

"**Applicable Permits**" means building permits and all other permits and approvals necessary to begin construction of the Rehabilitation Improvements.

"**CEQA Guidelines**" means the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*; California Code of Regulations, Title 14, Sections 15000 *et seq.*), as amended from time to time.

"**Challenge**" means the filing of a petition for writ of mandate, complaint, or other legal challenge in state or federal court seeking to overturn, modify, or annul the Project, the Cooperation Agreement, this OPA, or any other document related thereto or any other approvals related to the Rehabilitation Improvements.

"**City**" means the City of Inglewood, State of California.

"**City Council**" is defined in Recital A.

"**City Indemnified Parties**" shall refer collectively to the City and its respective elected officials, officers, employees, agents, consultants, and attorneys, and all of their respective successors and assigns.

"**City Manager**" means the City Manager, or his or her designee.

"**Claims**" is defined in Section 5.2.

"**Closing**" means the acquisition of fee title to the Site by MSG in accordance with the Purchase Agreement.

"**Codes**" means the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the

California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, encroachment or other construction permits for the Public Improvements.

"**Completion**" means the point in time when all of the following shall have occurred: (1) issuance of a temporary certificate of occupancy for the Project by the City; (2) Participant shall have provided the Agency with either: (a) a copy of the notice of substantial completion of the Public Improvements in accordance with the Plans and Scope of Work (with the exception of minor "punchlist" items) under the applicable contract from the contractor or architect undertaking the Public Improvement for the Participant or (b) a certification from an officer of the Participant that the construction of the Public Improvements has been substantially completed in accordance with Plans and Scope of Work (with the exception of minor "punchlist" items); and (3) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against of any mechanic's liens that have been filed in the Official Records or stop notices that have been delivered for the Project.

"**CRL**" means Division 24, Part 1 of the Health and Safety Code of the State of California, beginning at Section 33000.

"**Development Agreement**" means that certain development agreement to be entered into by and between the City and the Participant (as "Landowner" under the Development Agreement) pursuant to Government Code Section 65864 *et seq.* that provides for the use and operation of the Project.

"**Documented Costs**" means copies of executed contracts, professional services agreements, checks, invoices, receipts, conditional lien waivers, and other reasonably acceptable information delivered to the Agency documenting the hard and soft costs (including transaction costs, but excluding the purchase price under the Purchase Agreement) spent in connection with the development of the Public Improvements as provided in the Scope of Work.

"**Effective Date**" means January 30, 2012.

"**Employment and Training Requirements**" means Agency's policy regarding employment and training, as applicable to this Project, attached to this OPA as Exhibit H, which is incorporated herein by this reference.

"**Environmental Law**" means any federal, state or local law, ordinance, rule, or regulation, now or hereafter enacted, amended or modified, in each case to the extent applicable to the Site including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 *et seq.*); the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 *et seq.*); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 *et seq.*); Sections 25117, 25281, 25316 or 25501 of the California Health & Safety Code; any so called "Superfund" or "Superlien" law; the Toxic Substance Control Act of 1976 (15 U.S.C. Section 2601 *et seq.*); the Clean Water Act (33 U.S.C. Section 1251 *et seq.*); and the Clean Air Act (42 U.S.C. Section 7901 *et seq.*).

"**Escrow**" is defined in Section 2.2.

"**Event of City Default**" is defined in Section 4.1.

"**Event of Participant Default**" is defined in Section 4.1.

"**FEI**" is defined in Section 1.5.3.

"**Forum**" is defined in Recital C.

"**Hazardous Materials**" means (a) any pollutants, toxic pollutants, oil, gasoline, petroleum products, asbestos, materials or substances containing asbestos, explosives, chemical liquids or solids, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other solid, liquid or other emission, substance, material, product or byproduct defined, listed or regulated as a hazardous, noxious, toxic or solid substance, material or waste or defined, listed or regulated as causing cancer or reproductive toxicity, or otherwise defined, listed or regulated as hazardous or toxic in, pursuant to, or by any Environmental Law; (b) any substance which is or contains asbestos, radon, polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, lead paint, motor fuel or other petroleum hydrocarbons; and (c) fungus, mold, mildew, or other biological agents the presence of which materially adversely affect the health of individuals or other animals.

"**Indemnification Claim**" is defined in Section 5.3.

"**Lender**" means the holder of the beneficial interest under a Mortgage, or the owner of the Site, or interest therein, under a Mortgage.

"**Loan**" is defined in Section 2.2.

"**Losses**" is defined in Section 5.2.

"**MSG**" is defined in Section 1.5.2.

"**MSG Parent**" means MSG Holdings, L.P., a Delaware limited partnership.

"**Mortgage**" is defined in Section 3.19.

"**Official Records**" means the Official Records of the Office of the County Recorder for Los Angeles County, California. For purposes of this OPA, "recordation" shall refer to the filing of any instrument in the Official Records.

"**OPA**" is defined in the preamble.

"**Outside Date**" is defined in Section 3.2.4.

"**Participant**" is defined in Section 1.5.4.

"**Party**" is defined in the first paragraph of this OPA.

"**Permitted Delay**" is defined in Section 6.5.

"**Permitted Transferee**" is defined in Section 3.16.

"**Permitted Transfer**" shall mean a Transfer involving any of the following, *provided* in the case of clauses a. through c. below that Participant retains day to day control over management of the Site and the Project:

a. Any Mortgage;

b. A conveyance of a security interest in the Site in connection with any Mortgage and any transfer of title by foreclosure, deed or other conveyance in lieu of foreclosure in connection with or following the same;

c. The granting of easements, licenses or permits to facilitate the Completion of the Project or the use or operation of the Site in accordance with this OPA;

d. A Transfer to a "Permitted Transferee";

e. A Transfer to an Affiliate of The Madison Square Garden Company, *provided* that such Affiliate agrees in writing to be bound by the terms and conditions of this OPA as Participant.

Any transfer described in clauses a. through d., inclusive, shall be subject to the reasonable approval of documentation by the City. In addition, the City reserves the right to require where deemed appropriate by the City, as a condition precedent to any Permitted Transfer pursuant to clauses d. and e. the execution of the Assignment and Assumption Agreement in the form attached hereto as Exhibit E.

"**Person**" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

"**Plans**" mean the plans and drawings attached hereto as Exhibit I as updated through the normal course of construction.

"**Prevailing Wage Law**" is defined in Section 3.7.

"**Project Area**" is defined in Recital A.

"**Project Budget**" means the initial budget attached to this OPA as Exhibit C, which is incorporated in this OPA by this reference.

"**Project**" means the acquisition of the Site and the Completion of the Rehabilitation Improvements on the Site by Participant.

"**Promissory Note**" means the promissory note evidencing the Loan, substantially in the form attached as Exhibit J.

"**Purchase Agreement**" means that certain Asset Purchase Agreement dated August 12, 2011 by and between MSG, MSG Parent and FEI, as amended.

"**Redevelopment Plan**" is defined in Recital A.

"**Rehabilitation Improvements**" means the conservation, enhancement, renovation, restoration, remediation and rehabilitation of the Site in accordance with this OPA and the Secretary of Interior's Standards for the Rehabilitation of Historic Structures.

"**Release of Construction Covenants**" is defined in Section 3.20.

"**Schedule of Performance**" means the Schedule of Performance attached to this OPA as Exhibit B.

"**Scope of Work**" means the Scope of Work attached to this OPA as Exhibit C.

"**Site**" is defined in Recital C.

"**State**" means the State of California.

"**Transfer**" means any assignment or transfer of this OPA or any interest in this OPA, any conveyance of the Site or any property interest therein, or any change of control of Participant, *provided* that a change of control of The Madison Square Garden Company or MSG Parent or any sale of all or substantially all the assets of the entertainment division of The Madison Square Garden Company shall not constitute a change of control of Participant.

1.2 Purpose of the Agreement. The purpose of this OPA is to effectuate the Redevelopment Plan by facilitating the conservation, rehabilitation, restoration and redevelopment of the Site for use as a state-of-the-art venue. Completion of the Rehabilitation Improvements pursuant to this OPA, and the fulfillment generally of this OPA, are in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

1.3 The Redevelopment Plan. This OPA is subject to the provisions of the Redevelopment Plan. The Redevelopment Plan is incorporated in this OPA by reference and made a part of this OPA as though fully set forth in this OPA.

City hereby finds and declares that the development of the Rehabilitation Improvements on the Site as contemplated by this OPA is consistent with the Redevelopment Plan.

1.4 The Site. The Site is described in the "**Legal Description**" attached hereto and incorporated by reference in this OPA as Exhibit A. The Site is located within the Project Area, and is bounded by W. Manchester Boulevard to the north, Kareem Court to the east, Pincay Drive to the south, and S. Prairie Avenue to the west.

1.4.1 Condition of Site. The City makes no representation or warranty, express or implied, regarding any conditions of the Site or the improvements thereon. Participant, at its own expense, shall have the sole responsibility to investigate and determine all conditions of the Site and the improvements thereon as well as their suitability for the uses to which the Site is to be put in accordance with this OPA. If the conditions of the Site are not in all respects entirely

suitable for the use or uses to which the Site will be put, then Participant shall have the responsibility and obligation, without cost to the City, to take or cause such action as may be necessary under applicable Environmental Laws to place the Site in all respects in a condition entirely suitable for its development and use in accordance with this OPA.

1.5 Parties to the Agreement.

1.5.1 City. means the City of Inglewood, a charter city, and any assignee of, or successor to, its rights, powers and responsibilities.

1.5.2 MSG. means MSG Forum, LLC, a Delaware limited liability company, and any permitted transferee, assignee of or successor to MSG's rights, powers and responsibilities permitted by this OPA.

1.5.3 FEI. means The Forum Enterprises, Inc., a Delaware corporation and any permitted transferee, assignee of or successor to its rights, powers and responsibilities.

1.5.4 Participant. means, collectively, MSG and FEI.

ARTICLE II
LOAN

2.1 City Loan for Rehabilitation. In accordance with the purposes of the Redevelopment Plan and in exercise of certain redevelopment implementation activities pursuant to the Cooperation Agreement, the City shall make a Loan to facilitate the rehabilitation of the Site by the Participant, who shall commit funds in an amount of not less than Fifty Million Dollars ($50,000,000) for Completion of the Rehabilitation Improvements on the Site, in accordance with the requirements of this OPA.

2.2 Loan. Concurrently with the City's execution of the OPA, the City shall be obligated to make a loan in the amount of Eighteen Million Dollars ($18,000,000) (the "**Loan**") to Participant, to fund or reimburse Participant or MSG (as determined by MSG) for the rehabilitation of the Site by Participant. The Loan shall be placed into an escrow account (the "**Escrow**") with First American Title Insurance Company (Escrow #524761) within one (1) business day of the Effective Date, and shall be released to Participant pursuant to and in accordance with the terms of a mutually agreed-upon escrow agreement (the "**Escrow Agreement**") and Section 2.3. The cost of the Escrow shall be paid for by MSG, as Participant. The City may retain any interest on the Loan that accrues in the Escrow, *provided* that if there is a dispute as to the release of monies from Escrow, the party prevailing in such dispute shall be entitled to any interest accrued on the Loan from and after the date of such dispute.

2.3 Release of Loan. Escrow shall not be obligated to make any disbursement of the Loan prior to Completion of the Rehabilitation Improvements. Upon Completion and execution of the Promissory Note and recordation of the Deed of Trust, the City will cause the release of one hundred percent (100%) of the Loan to Participant or MSG (as determined by MSG) from Escrow *provided* MSG, as Participant, has delivered to Escrow the following documentation:

a. Written notice specifying that Completion of the Rehabilitation Improvements has occurred.

b. Wiring instructions and details of a designated account of the Participant to which the Loan shall be wired.

c. (i) A letter signed by MSG, as Participant, certifying to the Escrow holder that MSG, as Participant, has delivered to City the Documented Costs required by Section 3.2.1 of this OPA, together with (ii) an acknowledgment from City (which may be in the form of an e-mail) that City has received such delivery.

d. The executed Promissory Note.

e. The executed Deed of Trust.

2.4 Audit and Review of Participant's Investment. City reserves the right from time to time, upon reasonable notice and request, to receive from Participant the Documented Costs verifying the amount of Participant's investment in the Rehabilitation Improvements.

2.5 Non-Release of Loan to Participant. Notwithstanding anything contained in this OPA to the contrary, City shall have no obligation to cause the release of the Loan in whole or in part to Participant as provided in Section 2.2 or 2.3, upon an Event of Participant Default under Section 4.1(c) resulting from any failure by Participant to comply with Section 3.2.1 of this OPA (after the expiration of all notice and cure periods).

ARTICLE III
DEVELOPMENT AND USE OF THE SITE

3.1 The Site. MSG, as Participant, represents and warrants that as of the Effective Date: (a) MSG is under contract to purchase the Site pursuant to and subject to the terms and conditions of the Purchase Agreement and as of the Closing shall own the Site, and (b) MSG, as Participant, is not otherwise aware of any covenant, condition, restriction or agreement that would prevent the development of the Rehabilitation Improvements in accordance with this OPA. FEI, as Participant, represents and warrants that as of the Effective Date it is not aware of any covenant, condition, restriction or agreement that would prevent the development of the Rehabilitation Improvements in accordance with this OPA.

3.2 Development and Rehabilitation of the Site.

3.2.1 General. Subject to the terms and conditions of this OPA, and following Closing, Participant shall undertake the Rehabilitation Improvement work required by this OPA in accordance with Section 3.2.4, the Plans and the Scope of Work. As a condition to obtaining the Release of Construction Covenants, Participant shall provide the City with Documented Costs with respect to the Scope of Work reflecting an aggregate investment by Participant (including hard costs, soft costs and transaction costs, but excluding the purchase price under the Purchase Agreement) of at least $50 Million which may include amounts spent prior to the Effective Date consistent with the Project Budget, but not to any specific line item therein. Notwithstanding the foregoing, or anything contained in this OPA to the contrary, MSG as

Participant (but not FEI as Participant) can terminate this OPA without any liability at any time before the Loan is disbursed to Participant from Escrow, and upon such termination, the Loan, together with any accrued interest, shall be released from Escrow to the City, and FEI as Participant shall be released from any liability under this OPA arising before or after such termination, and MSG as Participant shall be released from any liability under this OPA arising after such termination.

3.2.2 Closing. The Closing is anticipated to occur on or before July 1, 2012. If the Closing has not taken place on or before July 1, 2012, then any Party may give forty-five (45) days' notice to the other Parties that it is terminating this OPA, and unless the Closing shall occur in such 45-day period, this OPA shall terminate and be of no further force or effect, and the Loan, together with any accrued interest, shall be released from Escrow to the City, and FEI as Participant shall be released from any liability under this OPA arising before or after such termination, and MSG as Participant shall be released from any liability under this OPA arising after such termination. From and after the Closing, FEI shall no longer be a Party under this OPA, and shall have no rights, obligations or liabilities hereunder, and the term "Participant" shall no longer include FEI.

3.2.3 Cost of Development and Rehabilitation. Subject to the Loan, all costs of developing, rehabilitating, and constructing the Rehabilitation Improvements, including any onsite or offsite improvements required by the City in connection therewith, and the cost of any relocation claims or costs associated with the development, rehabilitation, and construction of the Rehabilitation Improvements, shall be Participant's sole responsibility, without any cost to City.

3.2.4 Schedule of Performance.

a. Subject to any Permitted Delay, Participant shall use commercially reasonable efforts to (i) comply with the Schedule of Performance and (ii) cause the substantial completion of the Rehabilitation Improvements by October 31, 2015 (the "**Outside Date**"). As used in this OPA, substantial completion shall mean that the items listed in the Scope of Work shall have been accomplished such that (a) the contractor undertaking the work shall have given Participant a notice of substantial completion under the applicable construction contract subject only to "punchlist" items, or (b) the Rehabilitation Improvements are otherwise substantially completed in accordance with all City-approved plans as set forth in Section 3.3. City acknowledges that the dates set forth in the Schedule of Performance, including the selection of October 31, 2015 as the Outside Date, are based on the Closing having occurred by July1, 2012, and all Applicable Permits being received no later than August 31, 2013. City further acknowledges that the Schedule of Performance may be revised if such Applicable Permits are received after August 31, 2013 or are subject to Challenge, which Challenge is not resolved on or before August 31, 2013. The Schedule of Performance shall be updated from time to time as a result of any Permitted Delay, or upon the agreement of all Parties before Closing, and upon mutual agreement of MSG, as Participant, and the City Manager following the Closing.

b. During periods of rehabilitation, construction and development of the Rehabilitation Improvements, Participant shall submit to the City a written report of the progress of construction when and as reasonably requested by the City, but not more frequently than once every month. The report shall be in such form and detail as may be reasonably required by the

City and shall include a reasonable number of construction photographs (if requested) taken since the last report by Participant. From time to time, at the request of City staff, Participant (and Participant's key representative as well as key representatives of consultants, contractors and subcontractors) shall meet with City staff (or the City's designee) for progress meetings.

3.3 Plan Submission, Review and Approval. During the Project, from and after Closing, Participant shall prepare and submit plans, specifications, construction drawings and other documents related to the development and construction of the Rehabilitation Improvements on the Site to the City from time to time in connection with obtaining building permits ("**Construction Documents**").

3.4 Rights of Access. For the purpose of ensuring that the Rehabilitation Improvements are developed and rehabilitated in compliance with this OPA, during the term of this OPA and prior to the issuance of the Release of Construction Covenants for the Rehabilitation Improvements, Participant shall permit representatives of the City to enter upon the Site to inspect the Site and the Rehabilitation Improvements following forty-eight (48) hours written notice (except in the case of emergency in which case such notice as may be practical under the circumstances will be provided).

3.5 City Disclaimer. Participant acknowledges that the City is under no obligation, and the City does not undertake or assume any responsibility or duty to Participant or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Rehabilitation Improvements as a result of this OPA. Participant and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Rehabilitation Improvements. Any review or inspection undertaken by the City pursuant to the terms and conditions of this OPA is solely for the purpose of determining whether Participant is properly discharging its obligations under this OPA, and shall not be relied upon by Participant or any third party as a warranty or representation by the City as to the quality of the design or construction of the Rehabilitation Improvements or otherwise.

3.6 Preferences. Consistent with Section 33422.1 of the CRL, Participant shall comply with the applicable provisions of the policy entitled Employment and Training Requirements, attached hereto as Exhibit H, in connection with the construction of the Rehabilitation Improvements. From and after the Closing, in satisfaction of these obligations and the Employment and Training Requirements, Participant shall do the following: (a) require that all construction contractors have a goal to achieve participation by MBE/DBEs of at least 30% of the total value of funds awarded for contracts and subcontracts related to the construction of the Rehabilitation Improvements, with a goal of at least 50% of such 30% goal being awarded to local qualified businesses located in Inglewood, it being understood that Participant's and its contractors' obligations with respect to this goal shall be satisfied by engaging in the activities described on Exhibit H attached hereto and incorporated in this OPA; (b) use its commercially reasonable efforts to provide the City with a list of the titles of the expected jobs to be created in connection with the construction of the Rehabilitation Improvements, the approximate number of these jobs and the approximate salaries; and (c) if the percentage goals are not being met, upon request of the City, meet and confer with the City regarding the goals of Section 33422.1 of the

CRL and the Employment and Training Requirements to determine the impediments to achieving the specified goals.

3.7 Prevailing Wage Requirements.

In connection with the construction of the Rehabilitation Improvements:

a. Participant shall fully comply and cause all contractors and subcontractors performing any of the work contemplated by this OPA on its behalf, to comply with California Labor Code Section 1720 *et seq.* and all regulations adopted pursuant thereto (collectively, "**Prevailing Wage Laws**"), and be responsible for carrying out the requirements of such provisions.

b. Participant hereby agrees to carry out construction and development (as defined by applicable law) of the Rehabilitation Improvements, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable federal and State labor laws, including, without limitation, the payment of State prevailing wages, if required for the Project.

c. Participant hereby expressly acknowledges and agrees that the City has never previously affirmatively represented to Participant or its contractor(s) for the improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Labor Code Section 1720. Participant hereby agrees that Participant shall have the obligation to provide any and all disclosures, representations, statements, rebidding and identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees that Participant shall have the obligation to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code or by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees that Participant shall have the obligation, at Participant's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant shall indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against any and all Losses from any and all Claims arising out of or resulting from any of the following: (1) the noncompliance by Participant of any applicable local, State and federal law, including, without limitation, any applicable State and federal labor laws (including, without limitation, if applicable, the requirement to pay State prevailing wages); (2) the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code or by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision

of law; or (5) failure by Participant to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law.

d. The Parties agree that, in connection with the construction, development (as defined by applicable law) and operation of the Rehabilitation Improvements, including, without limitation, any public work (as defined by applicable law), Participant shall bear all risks of payment or nonpayment of State prevailing wages and the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and any other provision of law. The term "increased costs" as used in this Section 3.7 shall have the meaning ascribed to such term in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time.

e. The foregoing indemnity shall also be included in the Agreement Regarding Use Covenants.

f. Without limiting the foregoing, Participant shall, and hereby agrees to, indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against Losses from any and all Claims that directly or indirectly, in whole or in part, are caused by, arise from, or relate to, a breach by Participant of this Section 3.7. It is further agreed that the City does not, and shall not, waive any rights against Participant which it may have by reason of this indemnity because of the acceptance by the City, or the deposit with City by Participant, of any of the insurance policies described in this OPA.

3.8 Compliance with Laws. Participant shall carry out and cause its contractors to carry out the construction of the Rehabilitation Improvements on the Site in conformity with all applicable laws, including all applicable federal and state laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code (if any), building, plumbing, mechanical and electrical codes, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq.*, Government Code Section 4450 *et seq.*, Government Code Section 11135 *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51 *et seq.* Participant shall indemnify, defend (with counsel reasonably approved by City) and hold harmless the City Indemnified Parties from and against any and all Claims arising in connection with the breach of Participant's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City does not and shall not waive any rights against Participant which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Participant's deposit with City of any of the insurance policies described in this OPA. Participant's indemnification obligations set forth in this Section shall not apply to Claims arising from the willful misconduct of any City Indemnified Party.

3.9 Maintenance of the Site. Following Completion of the Rehabilitation Improvements, Participant shall, at its own expense, maintain the Site and the improvements and landscaping on the Site in good condition and repair and in decent safe and sanitary conditions and shall keep the Site free from any substantial accumulation of debris or waste materials in conformity with all applicable state, federal, and local laws, ordinances, Codes and regulations.

3.10 Nondiscrimination; Equal Opportunity. Participant will not discriminate on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry, disability, or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Rehabilitation Improvements, and Participant shall direct its contractors and subcontractors in connection with the construction of the Rehabilitation Improvements to refrain from discrimination on such basis nor, following Completion of the Rehabilitation Improvements, shall the Participant, itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees.

3.11 Obligation to Refrain from Discrimination. From and after Completion of the Rehabilitation Improvements, Participant shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Participant covenants for itself and all persons claiming under or through it, and this OPA is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

3.12 Effect and Duration of Covenants. The covenants established in this Agreement shall be binding for the benefit and in favor of the City, its successors and assigns for such periods as set forth in this OPA. Those certain covenants also contained in the Agreement Regarding Use Covenants shall run with the land and, without regard to technical classification and designation, remain in effect for the periods specified therein.

3.13 Agreement Regarding Use Covenants. Simultaneously with execution of this OPA, the Parties shall execute the Agreement Regarding Use Covenants in substantially the same form attached to this OPA as Exhibit D, which is incorporated into this OPA by this reference. On the Closing Date, the Parties shall cause the Agreement Regarding Use Covenants to be recorded in the Official Records against the Site.

3.14 Taxes, Assessments, Encumbrances, and Liens. All real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Site and payable by Participant, shall be paid (a) by FEI, as Participant, prior to Closing and (b) by MSG, as Participant, from and after Closing, in either event at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Site; *provided, however*, that Participant shall have the right to contest in good faith any such taxes, assessments, or charges. In the event the Participant exercises its right to contest any tax, assessment, or charge, the Participant, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

3.15 Prohibition on Assignment and Transfer. From and after the Closing:

a. Participant represents and agrees that its undertakings pursuant to this OPA are for the purpose of developing and rehabilitating the Rehabilitation Improvements on the Site, and not for speculation in land holding. Participant further recognizes that the qualifications and identity of Participant are of particular concern to the City, in light of the following: (1) the importance of the Project to the general welfare of the community and (2) the public assistance that has been made available by law and by the government for the purpose of making the Project possible. Participant further recognizes that it is because of such qualifications and identity that the City is entering into this OPA with Participant. Therefore, no voluntary or involuntary successor in interest of Participant shall acquire any rights or powers under this OPA except as expressly set forth in this OPA.

b. For the reasons cited above, Participant represents and agrees for itself and any successor in interest that prior to Completion, without the prior written approval of the City, there shall be no Transfers except Permitted Transfers.

c. To the extent City's written approval of a Transfer is required by this OPA, the City shall base its decision upon the relevant experience, financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed Transfer on the public purposes of this OPA.

d. Participant shall not be required to obtain the approval of the City pursuant to this part where the subject assignment or conveyance is a Permitted Transfer.

e. To the extent that City consent is required in accordance with Section 3.15, consent to any proposed Transfer may be given by the City Manager. Such consent shall not be unreasonably withheld, conditioned or delayed.

f. Upon a Permitted Transfer, then Participant and MSG Parent shall be released from any further liability or obligation under this OPA.

g. The restrictions of this Section 3.15 shall terminate upon Completion of the Rehabilitation Improvements.

3.16 Permitted Transferee. As used in this OPA, "Permitted Transferee" means any transferee who shall meet each of the following conditions:

a. The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Rehabilitation Improvements and to otherwise fulfill the obligations undertaken by the Participant under this OPA.

b. The Participant and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of this OPA, the Site or interest therein together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request; *provided, however,*

that Participant shall not be required to disclose any commercially sensitive information in connection with the Transfer. For purposes of this OPA, the purchase price shall not be considered commercially sensitive information.

c. The Transfer is effectuated by a written instrument satisfactory to the City in form recordable in the Official Records.

d. To the extent that City approval and satisfaction with the conditions above is required, such approval and satisfaction may be given by the City Manager. Such approval and satisfaction by City shall not be unreasonably withheld, conditioned or delayed.

e. Upon the approval of a Permitted Transferee by the City pursuant to this Section 3.16, then Participant and MSG Parent shall be released from any further liability or obligation under this OPA.

3.17 Effect of Transfer without City Consent. In the absence of specific written approval by the City of a Transfer where required, Participant shall not be released from any liability or obligation under this OPA.

3.18 Recovery of City Costs. With the exception of the Closing, Participant shall reimburse City for all City costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this OPA and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten (10) days following City's delivery to Participant of an invoice detailing such costs. However, no such costs recovery shall be required in the event that the Transfer is a Permitted Transfer to an Affiliate of The Madison Square Garden Company.

3.19 Lender Obligations and Protections.

a. Encumbrances On The Site. The Parties hereto agree that this OPA shall not prevent or limit Participant, in any manner, from encumbering the Site or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, renovation, development, use, or operation of the Site.

b. Lender Obligations. A Lender not in legal possession of the Site shall not be subject to the obligations or liabilities of the Participant under this OPA. A Lender in legal possession shall not have any obligation or duty under this OPA including, but not limited to, any obligation to construct or complete the construction of the Rehabilitation Improvements, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. A Lender in legal possession of the Site or portion thereof shall only be entitled to the benefits of this OPA if Lender fully complies with the terms of this OPA.

c. Lender Protection. No breach of this OPA shall defeat, render invalid, diminish or impair the lien of any deed of trust or mortgage ("**Mortgage**") made in good faith and for value, but all the terms and conditions contained in this OPA shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or Lender who acquires title to the Site, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of

foreclosure, or otherwise, and any such Lender or successor to or assignee of a Lender who takes title to the Site or any portion thereof shall be entitled to the benefits arising under this OPA.

d. Notice of Default to Lender; Right of Lender to Cure. If City receives notice from a Lender requesting a copy of any notice of Event of Participant Default given under this OPA and specifying the address for service thereof, then City shall deliver to such Lender, concurrently with service thereon to Participant, any notice given to Participant with respect to any claim by City of the Event of Participant Default. Each Lender shall have the right during the same period available to Participant to cure or remedy, or to commence to cure or remedy, the Event of Participant Default or non-compliance as provided in this OPA; *provided, however*, that if the Event of Participant Default or noncompliance is of a nature which can only be remedied or cured by such Lender upon obtaining possession, such Lender may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Event of Participant Default or noncompliance within ninety (90) days after obtaining possession. If any such Event of Participant Default or noncompliance cannot, with diligence, be remedied or cured within such ninety (90) day period, then such Lender shall have such additional time as may be reasonably necessary to remedy or cure such Event of Participant Default or noncompliance (including but not limited to proceeding to gain possession of the Site) if such Lender commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible. In the event the Lender is proceeding to gain possession (and does obtain possession) of the Site (whether through foreclosure, deed-in-lieu of foreclosure, or otherwise), Lender shall have no obligation to cure any Event of Participant Default which arises under Section 4.1(a) or 4.1(b) or is similarly and exclusively personal to Participant.

No purported City rules, regulations, modification, amendment and/or termination of this OPA shall be binding upon or affect the rights of any mortgagee holding a mortgage or deed of trust unless such mortgage or deed of trust is recorded in the Office of the Los Angeles County Recorder subsequent to the date any such rules, regulations, modification, amendment or termination is recorded in such office, or unless such mortgagee provides its prior written consent.

3.20 Release of Construction Covenants. Within thirty (30) days after Completion of the Rehabilitation Improvements and written request of Participant, the City will provide an instrument ("**Release of Construction Covenants**") certifying, such Completion. Such Release of Construction Covenants is conclusive evidence that Participant has satisfied its obligations as set forth in this OPA, and the Release of Construction Covenants shall so state. The City shall not unreasonably withhold, condition or delay such Release of Construction Covenants. If the City refuses or fails to furnish a Release of Construction Covenants after written request from Participant, the City shall, within ten (10) days of written request therefor, provide Participant with a written statement of the reasons the City refused or failed to furnish the Release of Construction Covenants. The statement shall also contain the City's opinion of the actions Participant must take to obtain a Release of Construction Covenants. If the reason for such refusal is confined to minor items, the City shall issue its Release of Construction Covenants subject to Participant's commitment to complete the items within a reasonable time period and Participant's demonstration of sufficient financial resources to complete the remaining items.

The Release of Construction Covenants shall be issued substantially in the form attached hereto as Exhibit F, and at Participant's option, shall be recorded in the Official Records of Los Angeles County. The Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust or mortgage securing money loaned to finance the Rehabilitation Improvements or any part thereof and shall not be deemed a notice of completion under the California Civil Code.

ARTICLE IV
DEFAULTS, REMEDIES AND TERMINATION

4.1 Event of Participant Default. An event of default on the part of Participant ("**Event of Participant Default**") shall arise with respect to any of the actions referenced below. Upon an Event of Participant Default, the City shall give written notice of default to the Participant, specifying the default complained of by the City. The City may not exercise any rights or remedies upon a default by Participant, unless and until such default continues beyond any applicable cure period after written notice thereof from the City and an opportunity for the Participant to appear before the City Council in the event the City seeks to terminate the OPA.

a. If any representation, warranty or acknowledgment of Participant is incorrect in any material respect when made and continues to be incorrect in any material respect (*e.g.*, representations made by Participant and contained in this OPA, or in any application, financial statement, certificate or report submitted to the City in connection with this OPA) or Participant's request for the Loan, proves to have been incorrect in any material and adverse respect when made and continues to be incorrect and materially adverse to the City;

b. MSG, as Participant, shall have been dissolved (voluntarily or involuntarily); or

c. Participant fails to keep, observe or perform any covenants, duties or obligations contained in this OPA in any material respect and the default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days after written notice thereof from City to Participant, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Participant fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

4.2 City Default. Upon an event of default on the part of City ("**Event of City Default**") the Participant shall give written notice of default to the City specifying the default complained of by the Participant. An Event of City Default shall arise hereunder if any warranty, or acknowledgement of City is incorrect in any material respect when made and continues to be incorrect, or City fails to keep, observe, or perform any of its covenants, duties, or obligations under this OPA, and the default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days after written notice thereof from Participant to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

4.3 Remedies. In addition to any other rights or remedies the parties may have in equity, any party may institute legal action to cure, correct, or remedy any default, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this OPA. Such equitable and/or legal actions must be instituted in the venue specified in Section 6.21.

4.4 Acceptance of Service of Process.

a. In the event that any legal action is commenced by Participant against City, service of process on City shall be made by personal service upon the City Manager or the Mayor of City, or in such other manner as may be provided by law.

b. In the event that any legal action is commenced by City against Participant, service of process on Participant shall be made in such manner as may be provided by law, and shall be valid whether made within or outside the State of California.

4.5 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this OPA, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth in this OPA, (a) a Party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential, punitive and special damages; and (b) City agrees that its sole remedy for any Default by Participant arising out of a breach of Section 3.15 shall be to elect to terminate this OPA.

4.6 Effect of Default. Notwithstanding anything to the contrary in this OPA, if Participant has effected a Permitted Transfer so that its interest in the Site has been divided between Permitted Transferees, then any determination that a Party is in Default shall be effective only as to the Party to whom the determination is made and the portions of the Site in which such Party has an interest.

ARTICLE V
INSURANCE AND INDEMNIFICATION

5.1 Insurance.

a. During the periods set forth below, Participant shall maintain or cause its contractors to maintain all applicable insurance coverage specified in Article V, and deliver to the City duplicate or appropriate certificates of the following insurance policies (collectively, "**Insurance Policies**") naming the City and their respective officers, employees, contractors and agents as additional insureds as respects their interests in this OPA.

b. All-Risk Builders Risk Insurance: Prior to the commencement of any Rehabilitation Improvements by and/or on behalf of Participant pursuant to the terms and conditions of this OPA, and at all times until Completion, Participant or its contractors shall maintain All Risk Builder's Risk insurance in an amount equal to the construction cost of the Project with limits equal to the completed value. Such insurance shall insure against direct

physical loss or damage by fire, lightning, hail, windstorm, explosion, riot, riot attending a strike, collapse, underground hazards, damage by aircraft and vehicles, vandalism, malicious mischief, glass breakage, flood and earthquake and such other causes as are covered by such form of insurance. The policy shall provide replacement cost coverage for damage to the work and to appurtenances, to materials and equipment to be used on the project while the same are in transit (other than in this case damage by flood or earth movement), stored on or off the project site, to construction plant and temporary structures. Coverage shall include no coinsurance penalty and include soft costs. A self-insured retention greater than 10% of the policy amount for earthquake and flood or $250,000 for all other perils is subject to approval by the City (not to be unreasonably withheld, conditioned or delayed). Such insurance shall name the City as loss payee.

c. Commercial General Liability Insurance: From and after the Closing, Participant shall maintain or cause to be maintained comprehensive general liability insurance to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the business of Participant on the Site, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Participant, or any person acting for Participant or under their respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Site, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Participant or any tenants, or any person acting for Participant or under their respective control or direction. Such property damage and personal injury insurance shall also provide for and protect the City against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect until Completion in the following amounts: commercial general liability insurance with a per-occurrence limit of not less than Seven Hundred Fifty Thousand Dollars ($750,000), an additional Twenty-Five Million Dollars ($25,000,000) in umbrella and excess liability coverage and a self-insured retention of not more than Two Hundred Fifty Thousand Dollars ($250,000) per claim. This self-insured retention may be increased based on the availability of insurance with such self-insured retentions at commercially reasonable premiums. If increased, this self-insured retention must be disclosed and is subject to the approval of the City. Participant agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Participant may be held responsible for the indemnification obligations hereunder or the payment of damages to persons or property resulting from the Participant's activities, activities of any tenants or the activities of any other person or persons for which Participant is otherwise responsible. The City of Inglewood, and their officials, officers, employees, contractors, agents and attorneys are to be named as additional insured. The general liability and (if required) professional liability policies must be endorsed to provide that each policy shall apply on a primary and noncontributing basis in relation to any insurance or self-insurance, primary or excess, maintained by or available to the City or its officials, employees and agents.

d. Automobile Insurance: Prior to the commencement of any Rehabilitation Improvements by and/or on behalf of Participant pursuant to the terms and conditions of the OPA, and at all times until Completion, Participant shall maintain or cause to be maintained automobile insurance, coverage to include owned, hired and non-owned vehicles, maintained in

full force and effect in an amount of not less than Two Million Dollars ($2,000,000) per accident. Coverage should include Transportation Pollution Liability Extension if any hazardous material will be transported to/from the site. The City of Inglewood, and their officials, officers, employees, contractors, agents and attorneys are to be named as additional insured.

e. Workers' Compensation Insurance: From and after the Closing, Participant shall maintain or cause to be maintained workers' compensation insurance for its employees. Notwithstanding the foregoing, Participant may, in compliance with the laws of the State and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Participant shall deliver to the City evidence that such self-insurance has been approved by the appropriate State authorities. Participant shall also maintain Employer's Liability insurance with limits not less than One Million Dollars ($1,000,000). Workers' Compensation Insurance shall contain an endorsement stating that insurer has waived its right of subrogation against the City.

f. All policies or certificates of insurance shall provide that such policies shall not be canceled, reduced in coverage or materially limited without at least thirty (30) days' (except in the case of non-payment, in which case such notice shall be ten (10) days') prior written notice to the City.

g. Any design professionals hired will procure and maintain professional liability insurance with limits of no less than Two Million Dollars ($2,000,000) if reasonably procurable or, if not, at least One Million Dollars ($1,000,000). Insurance is to be maintained for at least five (5) years if reasonably procurable or, if not, at least three (3) years after Completion of the Rehabilitation Improvements.

h. If Participant fails or refuses to procure or maintain insurance as required by this OPA, the City shall have the right, but not the obligation, at the City's election, and upon ten (10) days prior notice to Participant, to procure and maintain such insurance. The premiums paid by the City shall be treated as a loan, due from Participant, to be paid on the first day of the month following the date on which the premiums were paid. The City shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

i. Participant shall have the right in its discretion to provide the insurance coverage required by this Section 5.1 through one or more umbrella policies, so long as the type and level of insurance protection to be maintained by Participant in accordance with this Section 5.1 is not diminished by so doing (as reasonably determined by the City Manager).

5.2 Indemnification.

a. Commencing upon the Effective Date of this OPA and to the extent required pursuant to the terms of this OPA, MSG, as Participant, to the maximum extent permitted by law, agrees to defend, indemnify and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from any and all losses, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death and property damage) including reasonable attorneys' fees (collectively, "**Losses**") from any and all claims, demands and actions in law or equity (including

reasonable attorneys' fees and litigation expenses) by any third party (collectively, "**Claims**") that arise out of the development, use or operation of the Project and/or the Rehabilitation Improvements on the Site arising out of City entering into this OPA (but not claims arising out of the City's municipal duties and functions relative to enforcement of building codes and issuance of building permits and certificates of occupancy, and similar municipal functions and obligations).

b. In undertaking its obligations pursuant to this OPA, City shall not be an insurer or surety for the design or construction of the Rehabilitation Improvements.

c. This Section 5.2 shall remain in full force and effect for ten (10) years following issuance of the Release of Construction Covenants for the Rehabilitation Improvements by the City.

5.3 Indemnification Procedures. In connection with any indemnification provided in this OPA in respect of, arising out of, or involving a Loss or a Claim by any Person against the City Indemnified Parties (each, an "**Indemnification Claim**"), such City Indemnified Parties shall promptly give notice, in writing and in reasonable detail, to Participant thereof; *provided*, that failure to give reasonable and prompt notification shall not affect the indemnification provided hereunder except to the extent Participant shall have been actually and materially prejudiced as a result of such failure to promptly notify. Participant shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the City Indemnified Parties, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder. If Participant elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the City Indemnified Parties in writing of its intent to do so. If Participant elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, the City Indemnified Parties may (at Participant's sole cost and expense) defend against, control, negotiate, settle or otherwise deal with such Indemnification Claim. If Participant shall assume the defense of any Indemnification Claim, the City Indemnified Parties may participate, at its expense, in the defense of such Indemnification Claim; *provided, however*, that such City Indemnified Parties shall be entitled to participate in any such defense with separate counsel at the expense of Participant only if (a) so requested by Participant to participate or (b) if the nature of the claim creates an ethical conflict for the same counsel to defend the City Indemnified Parties and Participant; and *provided*, further, that Participant shall not be required to pay for more than one such counsel for all City Indemnified Parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything to the contrary in this OPA, neither Participant nor the City Indemnified Parties shall, without the written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed), settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless (x) the claimant(s) and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim, and (y) in the case of any such settlement, compromise, consent to default or to entry of any judgment by Participant, such settlement, compromise or

judgment otherwise provides solely for payment of monetary damages for which the City Indemnified Parties will be indemnified in full and shall have no financial responsibility.

ARTICLE VI
MISCELLANEOUS

6.1 Notices. Except as otherwise specified in this OPA, all notices to be sent pursuant to this OPA shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by:

a. Personal delivery, in which case notice is effective upon delivery;

b. Certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or

c. Nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

To MSG, as Participant:
MSG Forum, LLC
c/o MSG Holdings, L.P.
2 Penn Plaza
New York, New York 10121
Attention: General Counsel
Telephone: (212) 465-6300

with a copy to:
Gibson, Dunn & Crutcher LLP
333 S. Grand Avenue, Suite 4900
Los Angeles, California 90071
Attention: Amy R. Forbes, Esq.
Telephone: (213) 229-7151

To FEI, as Participant:
The Forum Enterprises, Inc.
3900 West Manchester Boulevard
Inglewood, California 90305
Attention: Bishop Kenneth C. Ulmer

with a copy (which shall not constitute notice) to:

The Faithful Central Bible Church Inc.
333 W. Florence Avenue
Inglewood, California 90301
Attention: Marc Little

To City:	The City of Inglewood One Manchester Boulevard, 9th Floor Inglewood, California 90301 Attention: City Manager Telephone: (310) 412-5290
with a copy to:	City Attorney's Office One Manchester Boulevard, 8th Floor Inglewood, California 90301 Attention: City Attorney Telephone: (310) 412-5372
	City Clerk's Office One Manchester Boulevard, 1st Floor Inglewood, California 90301 Attention: City Clerk Telephone: (310) 412-5290
(which will not constitute notice to the City)	Kane, Ballmer & Berkman 515 S. Figueroa Street, Suite 1850 Los Angeles, California 90071 Attention: Royce K. Jones, Esq. Telephone: (213) 617-0480

6.2 Non-liability of Officials and Employees. No member, official, or employee of City or City shall be personally liable to Participant, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Participant or to its successor, or on any obligations under the terms of this OPA. No member, director, officer, official, or employee of Participant shall be personally liable to City, or any successor in interest, in the event of any default or breach by Participant or for any amount which may become due from Participant or its successor, or on any obligations under the terms of this OPA.

6.3 Estoppel Certificates. Any Party may, at any time, and from time to time, deliver written notice to any other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (a) this OPA is in full force and effect and a binding obligation of the Parties, (b) this OPA has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in default in the performance of its obligations under this OPA, or if in default, to describe therein the nature and amount of any such defaults; and (d) such other information as may reasonably be requested. In the event the estoppel certificate discloses any default, breach or event, it shall also state the manner in which such default, breach and/or event may be cured. The Party requesting such certificate or agreement shall provide the form thereof and, provided such certificate or agreement is in form and substance commercially reasonable, a Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The City Manager shall have the right to execute any certificate requested by either Participant hereunder. City acknowledges that a certificate hereunder may be relied upon by Transferees, Lenders and Mortgagees, and their respective successors and/or assigns.

6.4 MSG's Warranties and Representations, as Participant. MSG, as Participant, hereby warrants and represents the following to City for the purpose of inducing City to enter into this OPA and to consummate the transaction contemplated hereby, all of which shall be true as of the date hereof:

a. MSG is a limited liability company, duly organized and in good standing under the laws of the state of Delaware. MSG has the legal power, right and authority to enter into this OPA and the instruments and documents referenced in this OPA to which MSG is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

b. This OPA is duly executed by MSG, as Participant, and all agreements, instruments and documents to be executed by MSG pursuant to this OPA shall, at such time as they are required to be executed hereunder, be duly executed by MSG. Each such agreement is, or shall be at such time as it is required to be executed hereunder, valid and legally binding upon MSG and enforceable in accordance with its terms. The execution and delivery of this OPA will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which MSG is a party.

c. There are no suits, other proceedings or investigations pending or, to the best of MSG's knowledge, threatened against MSG, that MSG reasonably believes would have a material adverse effect on the financial condition of MSG.

d. MSG is not the subject of a bankruptcy or insolvency proceeding.

6.5 FEI's Warranties and Representations, as Participant. FEI, as Participant, hereby warrants and represents the following to City for the purpose of inducing City to enter into this OPA and to consummate the transaction contemplated hereby, all of which shall be true as of the date hereof:

a. FEI is a corporation, duly organized and in good standing under the laws of the state of Delaware. FEI has the legal power, right and authority to enter into this OPA and the instruments and documents referenced in this OPA to which FEI is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

b. This OPA is duly executed by FEI, as Participant, and all agreements, instruments and documents to be executed by FEI pursuant to this OPA shall, at such time as they are required to be executed hereunder, be duly executed by FEI. Each such agreement is, or shall be at such time as it is required to be executed hereunder, valid and legally binding upon FEI and enforceable in accordance with its terms.

6.6 Time of the Essence; Calculation of Time Periods. Except as otherwise provided in this OPA, time is of the essence for each condition, term, obligation and provision of this OPA. Unless otherwise specified, in computing any period of time described in this OPA, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of

any such period shall be deemed to end at 5:00 p.m. Pacific Time at the Site. For purposes of this OPA, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California or New York.

6.7 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, notwithstanding Section 4.1 or any other provision of this OPA, performance by any Party shall not be deemed to be in default, and all performance and other dates specified in this OPA shall be extended where delays or defaults are hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, condemnation, requisition, laws, litigation, orders of governmental, civil, military or naval authority, acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City),or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a "**Permitted Delay**").

Times of performance under this OPA may also be extended in writing by the mutual agreement of Participant and City (acting in the discretion of its City Manager).

6.8 Attorneys' Fees. If any Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against any other Party by reason of an Event of Participant or City Default, or otherwise arising out of this OPA, the prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. If any person or entity not a Party to this OPA initiates an action at law or in equity to challenge the validity of any provision of this OPA, the parties shall cooperate in defending such action and such action shall be treated as a Claim pursuant to Section 5.2.

6.9 Authority to Execute Agreement. Each of the persons executing this OPA hereby represent and warrant that he or she is authorized to represent the party for whom such person is executing this OPA, and to enter into this OPA on behalf of such party.

6.10 Advice of Counsel. Each party hereto has had the opportunity to seek the advice of independent counsel of its choosing concerning this OPA. This OPA is deemed to have been jointly prepared by all of the parties hereto, and any uncertainty or ambiguity existing in this OPA shall not be interpreted against any party on the ground that it was the drafter of this OPA.

6.11 No Third Party Beneficiaries. This OPA is intended to confer rights and benefits only upon the parties and their successors and assigns and is not intended to confer any rights or benefits upon any other Person. No Person other than the parties and their successors and assigns shall have any legally enforceable rights hereunder. All rights of action for any breach of this OPA are hereby reserved to the parties hereto and their successors and assigns.

6.12 Survival. Except as provided in the Agreement Regarding Use Covenants, upon: (a) the expiration or termination of this OPA or (b) the issuance and recordation of a Release of

Construction Covenant, all representations, obligations, covenants and requirements imposed upon Participant under this OPA (that have not previously terminated in accordance with the terms of this OPA) shall terminate.

6.13 Calendar Days. All references in this OPA to a number of days in which any party shall have to consent, approve or perform shall mean calendar days unless specifically stated to be business days.

6.14 Effective Date. This OPA shall be in full force and effect as of the Effective Date.

6.15 Construction. The section headings and captions used in this OPA are solely for convenience and shall not be used to interpret this OPA. The Parties acknowledge that this OPA is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since all Parties have participated in the negotiation and drafting of this OPA, this OPA shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

6.16 Action or Approval. Whenever action and/or approval by the City is required under this OPA, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise. To the extent that the City Manager is authorized to grant his or her consent or approval under this OPA, the City Manager may, in his or her discretion, refer such matter to the City Council for approval consideration.

6.17 Entire Agreement. This OPA, including Exhibits A through J attached hereto and incorporated into this OPA by this reference contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements among the Parties with respect to the subject matter hereof.

6.18 Counterparts. This OPA may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by any other Party. Any executed counterpart of this OPA may be delivered to any other Party by electronic mail in portable document format (.pdf) and shall be deemed as binding as if an originally signed counterpart were delivered.

6.19 Severability. If any term, provision, or condition of this OPA is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this OPA shall continue in full force and effect unless an essential purpose or benefit of this OPA is defeated by such invalidity or unenforceability, then the Party deprived of the essential purpose or benefit shall have the option to terminate this entire OPA.

6.20 Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict performance of any of the provisions of this OPA by any other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to

demand strict compliance by such other Party in the future. The Party for whose benefit a covenant or commitment is provided may waive its rights pursuant to that commitment or covenant, *provided* that no waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. The City Manager is authorized to execute waivers on behalf of the City. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. All of the remedies permitted or available to a Party under this OPA, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

6.21 Parties Not Co-Venturers. Nothing in this OPA is intended to or shall establish the City, MSG and FEI as partners, co-venturers, or as principal and agent with one another. Notwithstanding the execution of this OPA by both MSG and FEI as Participants, nothing in this OPA shall create any rights or obligations as between FEI and MSG, and the obligations of MSG and FEI hereunder are several, and not joint and several.

6.22 Governing Law; Venue. The laws of the State of California shall govern the interpretation and enforcement of this OPA. Venue shall be Los Angeles Superior Court or United States District Court, Central District.

6.23 Term of Agreement. Except as otherwise provided for in this OPA, the terms and conditions of this OPA shall remain in full force and effect until the Release of Construction Covenants is issued to Participant.

6.24 Construction of Agreement. The provisions of this OPA and the Exhibits shall be construed as a whole according to their common meaning and not strictly for or against any Party in order to achieve the objectives and purpose of the Parties. The captions preceding the text of each Article, Section, Subsection and the Table of Contents are included only for convenience of reference and shall be disregarded in the construction and interpretation of this OPA. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. Unless otherwise specified, whenever in this OPA, reference is made to the Table of Contents, any Article or Section, or any defined term, such reference shall be deemed to refer to the Table of Contents, Article, Section or defined term of this OPA. Exhibits to this OPA shall be incorporated into this OPA as if stated fully in this OPA. The use in this OPA of the words "including," "such as," or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as "without limitation" or "but not limited to," or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. This OPA has been reviewed and revised by legal counsel for each of MSG, FEI and City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this OPA.

6.25 City Liability Limitation. The Parties hereby acknowledge and agree that all actions taken or performed by the City in fulfillment of its obligations under this OPA are being taken or performed in accordance with the terms and conditions of the Cooperation Agreement providing for a Commercial Rehabilitation Loan Program (the "**Program**") pursuant to which the City is authorized to use certain redevelopment funds obtained from the Agency to implement the Program and fund various commercial redevelopment loans inclusive of the Rehabilitation Loan contemplated and provided for in this OPA, for which the City will be utilizing $18,000,000. Moreover, the Parties also acknowledge and agree that under no circumstances shall the City be obligated to utilize, pledge, obligate, expend or otherwise encumber any funds from its general fund, or any other funds available to the City, to satisfy its obligations set forth in this OPA, and that the sole and exclusive source of funding available to and allocated by the City to carry out its responsibilities under this OPA and/or to satisfy any liabilities and obligations arising from and/or out of this OPA shall be such redevelopment funds.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have entered into this OPA as of the Effective Date.

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: Mark Cresitello
Title: Senior Vice President & Assistant Secretary

IN WITNESS WHEREOF, the parties hereto have entered into this OPA as of the Effective Date.

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

JOINDER AND GUARANTY

The undersigned hereby acknowledges, consents and agrees to the foregoing Owner Participation Agreement and guarantees the obligations of MSG, as Participant under such Owner Participation Agreement (but not under any exhibits or other documents related thereto, including the Promissory Note and the Deed of Trust).

To the fullest extent permitted by law, the undersigned waives diligence, protest, notice of protest, presentment, demand of payment, notice of dishonor and all other suretyship defenses.

The undersigned acknowledges that it is a direct or indirect owner of MSG, as Participant, that it will derive substantial benefits by reason of MSG's performance (as Participant) of its duties and obligations under the Owner Participation Agreement, and that the agreement of City to enter into the Owner Participation Agreement is subject to the undersigned's agreement to the above.

MSG HOLDINGS, L.P.,
a Delaware limited partnership

By: MSG Eden Corporation,
a Delaware corporation,
its general partner

By: _____
Name: Laurence Bancu
Title: Secretary

EXHIBIT A

LEGAL DESCRIPTION OF SITE

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE EAST ALONG THE NORTHERLY LINE OF SECTION 34, WHICH IS ALSO THE CENTERLINE OF MANCHESTER BOULEVARD (100 FEET WIDE), A DISTANCE OF 1182.91 FEET; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 50.00 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID MANCHESTER BOULEVARD, WHICH IS THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 1270.00 FEET; THENCE WEST, A DISTANCE OF 1149.91 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 1234.89 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 72° 30' 30" EAST, ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 55.27 FEET TO A POINT OF TANGENCY IN A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 122.12 FEET; THENCE TANGENT TO SAID CURVE, EAST ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 976.97 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN DEEDS TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-682, PAGE 530, IN BOOK D-1473, PAGE 328, AND IN BOOK D-4209, PAGE 199, ALL OF SAID OFFICIAL RECORDS AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN SAID DEED RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST, A DISTANCE OF 150.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF PRAIRIE AVENUE, 78.00 FEET WIDE, WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE NORTH ALONG SAID EASTERLY LINE, 107.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 635.00 FEET; THENCE

SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 715.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO A POINT OF TANGENCY WITH SAID SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SECTION 34; THENCE EAST ALONG SAID SOUTHERLY LINE, 3218.78 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 635.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 120.34 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 715.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 262.55 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF THE NORTHERLY 1240.00 FEET OF SAID SECTION 34; THENCE WEST ALONG SAID LAST MENTIONED SOUTHERLY LINE, 2433.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1960.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 476.96 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 2040.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 496.32 FEET; THENCE TANGENT TO SAID CURVE, WEST 190.00 FEET; THENCE NORTH 45° 00' 00" WEST 14.14 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG SAID EASTERLY LINE, 100.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE WESTERLY LINE OF SAID SECTION; SOUTH 00° 00' 05" EAST 1212.20 FEET; THENCE EAST 33.00 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 45° 00' 00" 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 635.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 715.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO ITS TANGENT INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE ALONG SAID SOUTHERLY LINE, WEST 751.52 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE ALONG SAID EASTERLY LINE, NORTH 00° 00' 05" WEST 107.80 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, 78 FEET WIDE; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY THE DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS OF SAID COUNTY; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED, AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST 150.28 FEET TO THE HEREINBEFORE MENTIONED PRAIRIE AVENUE, 78 FEET WIDE, SAID POINT ALSO BEING ON THE EASTERLY LINE OF THE WESTERLY 33.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 00' 05" EAST 581.80 FEET TO THE NORTHERLY EXTREMITY OF THAT CERTAIN COURSE IN THE

SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO THE FORUM OF INGLEWOOD, INC., RECORDED JULY 26, 1966 AS INSTRUMENT NO. 1944, IN BOOK D-3377, PAGE 47, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS HAVING A BEARING AND LENGTH OF "NORTH 45° 00' 00" WEST 14.14 FEET"; THENCE ALONG LAST MENTIONED LINE, SOUTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 30.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 28.00 FEET, SAID CURVE ALSO BEING TANGENT AT ITS POINT OF ENDING WITH THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 59' 55", AN ARC DISTANCE OF 43.98 FEET TO SAID POINT OF TANGENCY; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 0° 00' 05" WEST 563.80 FEET; THENCE NORTH 1° 31' 38" EAST 150.03 FEET TO THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE NORTH 0° 00' 05" WEST 253.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 63.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 52' 43", AN ARC DISTANCE OF 81.88 FEET TO THE HEREINBEFORE MENTIONED SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 400.00 FEET, A RADIAL AT SAID POINT BEARS NORTH 16° 07' 22" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 22' 08", AN ARC DISTANCE OF 9.56 FEET; THENCE TANGENT TO SAID CURVE SOUTH 72° 30' 30" WEST 26.65 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM SAID LAND, AN UNDIVIDED 28/200THS OF 1 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM SAID LAND, AS RESERVED BY MANCHESTER AVENUE COMPANY, IN DEED RECORDED AUGUST 31, 1956 AS INSTRUMENT NO. 2084, IN BOOK 52179, PAGE 412, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST OF INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN ALL OIL AND GAS ROYALTIES AND PAYMENTS DERIVED FROM THE EXISTING OIL AND GAS LEASES ON SAID LAND OR ANY PART THEREOF, WHICH ARE PRESENTLY OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED BY INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN DEED RECORDED NOVEMBER 21, 1962 AS INSTRUMENT NO. 1996, IN BOOK D-1829, PAGE 887, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERAL, OIL AND GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR UNDER SAID LAND BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MASON LETTEAU, P.T. HINCON AND JOHN R. MACFADEN, BEING THE SUCCESSOR IN OFFICE OF CHRIS G. DEMETRIOUS AND THEIR SUCCESSORS IN OFFICE AS BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 AS INSTRUMENT NO. 1220, IN BOOK D-2398, PAGE 795, OFFICIAL RECORDS.

APN: 4025-001-002

EXHIBIT B

SCHEDULE OF PERFORMANCE

1.	Execution of Agreement – Agreement authorized, executed and delivered	Within one (1) business day of approval of the OPA by City
2.	Opening of Escrow – Participant and City shall open and fund escrow for rehabilitation loan	Within one (1) business day of approval of the OPA by City
3.	Closing under Purchase Agreement – FEI shall convey Site to MSG as Participant; Recordation of Agreement Regarding Use Covenants	July 1, 2012
4.	Submission – Final Building Permit Drawings – Participant shall submit Final Building Permit Drawings to the City	Within 15 months of Closing
5.	Commencement of Rehabilitation Improvements – Participant shall commence construction of the Rehabilitation Improvements	Within 60 days of receiving building permits and approvals
6.	Completion of Rehabilitation Improvements – Participant shall complete the Rehabilitation Improvements	Within 21 months of start of construction
7.	Release of Construction Covenants Issued – City to issue Release of Construction Covenants to Participant	Following Completion of the Rehabilitation Improvements and within 30 days after Participant submits its request

EXHIBIT C

SCOPE OF WORK AND PROJECT BUDGET

[See attached.]

EXHIBIT C

SCOPE OF WORK AND PROJECT BUDGET

	Project Scope Items	Key Select Items Included in Scope	Current Project Budget
A.	ADA UPGRADES	Upgrade elevators, New ADA restrooms, wheelchair bowl seating, Wheel chair entrance ramps, etc.	$ 3,210,180
B.	CODE UPGRADES	Upgrade fire alarm system, Add upper and lower Handrails, etc.	$ 2,546,691
C.	ABATEMENT	Environmental remediation.	$ 5,282,715
D.	PAST DEFERRED MAINTENANCE	New roof and exterior coating system, Mechanical/electrical replacement/upgrades (e.g. plumbing, piping, chillers, air handlers), New F&B equipment, Parking lot refurbishment, etc.	$ 11,116,719
E.	REVENUE & GUEST EXPERIENCE	Add fixed & loose seating in north area, Upgrade north terrace, Refinish & expand L1 hospitality, Refinish L3 concourse, Add new F&B equipment, Refinish Forum club, etc.	$ 15,761,443
F.	OPERATIONS	Install CCTV and security system, Improve dressing rooms, artist areas and offices, Upgrade telecom infrastructure, etc.	$ 4,648,456
G.	EXTERIOR SIGNAGE	New Marquee, Improved parking entrances and directional signage	$ 4,200,000
H.	SOFT AND TRANSACTIONAL COSTS	Design and consulting costs, project management, insurance, etc.	$ 14,799,666
	Construction Total		$ 61,565,870

Note: Pursuant to the OPA, MSG has commited funds in an amount not less than $50,000,000 for Completion of the Rehabilitation Improvements on the Site, in accordance with the requirements of the OPA. However, such commitment is with respect to an ***overall*** *amount and not to specific allocations of such overall amount to one or more specific category(ies).*

EXHIBIT D

FORM OF AGREEMENT REGARDING USE COVENANTS

OFFICIAL BUSINESS
Document entitled to free
recording per
Government Code
Sections 6103 and 27383

RECORDING REQUESTED BY
AND WHEN RECORDED
RETURN TO:

The City of Inglewood
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attn: City Manager

Space above this line for Recorder's use only

AGREEMENT REGARDING USE COVENANTS

THIS AGREEMENT REGARDING USE COVENANTS (the "Use Covenant") is dated as of _____, 201__, by and among the CITY OF INGLEWOOD, a municipal corporation (the "City"), THE FORUM ENTERPRISES, INC., a Delaware corporation ("FEI") and MSG FORUM, LLC, a Delaware limited liability company (the "Participant").

A. FEI owns fee title to that certain real property and the improvements thereon commonly referred to as "the Forum" located in the City of Inglewood (the "City"), County of Los Angeles, State of California, legally described in the legal description attached hereto as Exhibit A and incorporated herein by this reference (the "Property"). Participant is under contract to purchase the Property subject to and in accordance with the terms of the Purchase Agreement. From and after the Closing, FEI shall no longer be a Party under this Use Covenant, and shall have no rights, obligations or liability liabilities hereunder, and the term "Participant" shall no longer include FEI.

B. This Use Covenant shall be effective upon the date of its recordation in the Official Records of Los Angeles County, California ("Effective Date").

C. The Property is within the Merged In-Town, La Cienega, Manchester-Prairie, North Inglewood Industrial Park, Century, and Imperial-Prairie Redevelopment Project area (the "Project") in the City of Inglewood and is subject to the provisions of the Amended and Restated Redevelopment Plan for the Project which was approved and adopted on July 30, 1996

by the City Council of the City of Inglewood by Ordinance No.96-11, 96-12, 96-13, 96-14, 96-15 and 96-16, and any amendments thereto (the "Redevelopment Plan").

D. City and Participant have entered into that certain Owner Participation Agreement, dated _____, 2012 (the "OPA"), which is incorporated herein by this reference. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the OPA.

E. Pursuant to the terms of the OPA, subject to the satisfaction of certain conditions for the benefit of the City set forth in the OPA, City has agreed to provide certain financial assistance to Participant for rehabilitation of the Property in the form of a loan.

F. Pursuant to the terms of the OPA, subject to the satisfaction of certain conditions for the benefit of the Participant set forth in the OPA, Participant has agreed to perform and complete certain Rehabilitation Improvements on the Property in accordance with a Scope of Work and a Schedule of Performance and the terms of the OPA (capitalized terms each as defined in the OPA).

G. This Use Covenant is entered into and recorded in accordance with the Redevelopment Plan and the OPA.

NOW, THEREFORE, City, FEI and Participant agree as follows:

1. Rehabilitation and Development of the Rehabilitation Improvements and the Property. Following the Closing (which Closing shall be pursuant to and subject to the terms and conditions of the Purchase Agreement), Participant hereby agrees to rehabilitate, restore, renovate, or cause the rehabilitation, restoration, and renovation of the Rehabilitation Improvements on the Property, in accordance with and subject to the terms and conditions of the OPA, including Section 3.2 therein (the "Construction Covenants").

2. Release of Construction Covenants. Following Completion of the Rehabilitation Improvements as provided for in the OPA, City shall issue to Participant for recordation a Release of Construction Covenants as provided in the OPA. Following the recording of the Release of Construction Covenants, the Construction Covenants contained in Section 1 above shall terminate and be of no further force and effect with respect to the Property. Further, following the recording of a Release of Construction Covenants, any successor-in-interest to the Property or any portion thereof shall have no obligations to rehabilitate or develop the Property pursuant to the Construction Covenants or the OPA and shall only have those obligations relating to and expressly provided for in this Use Covenant.

3. Use of the Property. During the Term (as defined in Section 6 below) of this Use Covenant, Participant, on behalf of itself and its successors, assigns, and each successor in interest to Participant's interest in the Property or any part thereof, hereby covenants and agrees as follows:

a. Following Completion of the Rehabilitation Improvements, Participant, its successors and assigns, shall use the Property as a venue for public and private events, concerts,

rehearsals, film shoots, awards shows, movie premieres, trade conventions, graduation ceremonies, theatrical performances, family shows, exhibitions, sporting events, other events customary for an arena or theater, and/or other similar types of activities (collectively, "Venue Events"). However, if Participant intends to use the Property for any use other than Venue Events, then Participant shall promptly notify City after such use is scheduled, and within ten (10) business days of such use, Participant shall pay to City an amount equal to Five Thousand Dollars ($5,000) (the "Alternative Use Payment") for each calendar day such use took place at the Property.

b. From and after Completion of the Rehabilitation Improvements, Participant herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, and this Use Covenant is made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

4. Maintenance of the Property. From and after Completion of the Rehabilitation Improvements, Participant, its successors and assigns, shall maintain the Rehabilitation Improvements on the Property in substantially the same aesthetic and physical condition (or better) as the condition of the Property at the time City issues a Release of Construction Covenants pursuant to the OPA, reasonable wear and tear excepted and damage from casualty excepted (and further subject to the rights of lenders). This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for dirt, debris, graffiti or damage or deterioration or failure, and prompt repainting or repair or replacement of all surfaces, fencing, walls, trim, equipment, glass, doors, windows, awnings, signs etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining lighting and replacing damaged, broken, and burned out lamps and lighting fixtures promptly; and maintaining security devices in good working order. In the event Participant, its successors or assigns fails to maintain the Rehabilitation Improvements in accordance with the aforementioned standard, City or its designee shall have the right but not the obligation to enter the Property upon reasonable notice to Participant, correct any violation, and hold Participant, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Use Covenant shall be covenants running with the Property, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns. The City shall be deemed to be the beneficiary of the covenants, conditions and restrictions of this Use Covenant both for and in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the City, without regard to whether the City has been, remains, or is an owner of any land or interest in the Project or the Project Area. Except as provided in the preceding sentence, the covenants, conditions and restrictions contained in this Use Covenant shall not benefit nor be enforceable by any owner of real property within or outside the Project Area or any person or entity having any interest in any such real property, except the City.

6. Term. The term of this Use Covenant shall be thirty (30) years from the Effective Date (the "Term"), *provided* that notwithstanding any other provision of this Use Covenant or the OPA, the Term of this Use Covenant shall immediately expire (a) upon the satisfaction of the Promissory Note, or (b) upon Termination of the OPA prior to the execution and delivery of the Promissory Note.

7. Management. During the first five (5) years of the Term, the provisions of this Section 7 shall apply. Participant shall be directly responsible for the management of the Property. Notwithstanding the foregoing, Participant may elect to contract with a third party arena manager reasonably acceptable to the City, which arena manager will be charged with managing the Property on behalf of the Participant. The City shall have the right to review and approve any such entity prior to its selection by the Participant. Such approval shall not be unreasonably withheld, conditioned or delayed. Participant shall include in any such arena management agreement a provision providing for the termination of such arena management agreement in the event that the arena manager violates any federal, state or local health and safety laws and regulations.

8. Defaults and Remedies.

a. Event of Participant Default. Any default in any material respect by Participant under any of the covenants set forth in this Use Covenant shall be referred to herein as an "Event of Participant Default." Upon an Event of Participant Default, the City shall give written notice of such default to the Participant, specifying the default complained of by the City. The City may not exercise any rights or remedies upon an Event of Participant Default unless such default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default, after written notice thereof from City to Participant, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Participant fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

b. City Default. Any default in any material respect by City under any of

the covenants set forth in this Use Covenant shall be referred to herein as an "Event of City Default." Upon an Event of City Default, the Participant shall give written notice of such default to the City, specifying the default complained of by the Participant. The Participant may not exercise any rights or remedies upon an Event of City Default unless such default continues for a period of ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default, after written notice thereof from Participant to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

c. Remedies. In addition to any other rights or remedies the parties may have in equity, either party may institute legal action to cure, correct, or remedy any default, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Use Covenant. Such equitable and/or legal actions must be instituted in Los Angeles Superior Court or United States District Court, Central District.

d. Acceptance of Service of Process. (i) In the event that any legal action is commenced by Participant against City, service of process on City shall be made by personal service upon the City Manager, or in such other manner as may be provided by law. (ii) In the event that any legal action is commenced by City against Participant, service of process on Participant shall be made in such manner as may be provided by law, and shall be valid whether made within or outside the State of California.

e. Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Use Covenant, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other party. Notwithstanding anything to the contrary set forth herein, (a) a party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential, punitive and special damages.

9. Permitted Mortgages. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Use Covenant shall defeat or render invalid or in any way impair the lien or charge of any mortgage permitted by the OPA, and the City shall afford any lender under such mortgage the lender protections provided for in the OPA.

10. Duration of Covenants. Every covenant and condition and restriction contained in this Use Covenant shall remain in effect as follows:

a. The covenants in Sections 3(a), 4, 7, 10, and 11 shall remain in full force and effect until the expiration of the Term, or such earlier termination as is provided for in this Use Covenant.

b. The covenants in Sections 3(b) shall remain in full force and effect in perpetuity.

11. Enforcement. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

12. Liens. Except for encumbrances, liens, levies or attachments relating to property taxes assessed and imposed against the Property, nothing herein contained shall be deemed to prohibit Participant from contesting the validity or amounts of any encumbrance, lien, levy or attachment imposed upon the Property, nor to limit the remedies available to Participant with respect thereto.

13. No Removal from Tax Roll. Participant hereby agrees that during the Term of this Use Covenant, it shall not remove or take any action that would cause the removal of the Property from the Los Angeles County Tax Roll or property assessment in accordance with applicable property tax laws of the State of California unless Participant shall pay the City an amount equal to $300,000 times the number of years remaining of the Term to effectuate a release of the provisions of this Section 13.

14. Environmental Indemnity. Participant shall be solely responsible for the remediation of any Hazardous Materials on, in, under or within the Site, at the sole cost, risk and expense of Participant, to the extent required by Environmental Laws. Participant shall indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against any and all Losses from any and all Claims arising out of a breach by Participant of this Section 14.

15. Prevailing Wage Indemnity. Participant shall indemnify, defend and hold harmless the City Indemnified Parties except to the extent of their willful misconduct from and against any and all Losses from any and all Claims arising out of or resulting from any of the following: (1) the noncompliance by Participant of any applicable local, State and federal law, including, without limitation, any applicable State and federal labor laws (including, without limitation, if applicable, the requirement to pay State prevailing wages); (2) the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code or by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; or (5) failure by Participant to obligate any party as may be required by Labor

Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law.

16. Indemnification Procedures. In connection with any indemnification provided in this Use Covenant in respect of, arising out of, or involving a Loss or a Claim by any Person against the City Indemnified Parties (each, an "Indemnification Claim"), such City Indemnified Parties shall promptly give notice, in writing and in reasonable detail, to Participant thereof; provided, that failure to give reasonable and prompt notification shall not affect the indemnification provided hereunder except to the extent Participant shall have been actually and materially prejudiced as a result of such failure to promptly notify. Participant shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the City Indemnified Parties, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder. If Participant elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the City Indemnified Parties in writing of its intent to do so. If Participant elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, the City Indemnified Parties may (at Participant's sole cost and expense) defend against, control, negotiate, settle or otherwise deal with such Indemnification Claim. If Participant shall assume the defense of any Indemnification Claim, the City Indemnified Parties may participate, at its expense, in the defense of such Indemnification Claim; provided, however, that such City Indemnified Parties shall be entitled to participate in any such defense with separate counsel at the expense of Participant only if (a) so requested by Participant to participate or (b) the nature of the claim creates an ethical conflict for the same counsel to defend the City Indemnified Parties and Participant; and provided, further, that Participant shall not be required to pay for more than one such counsel for all City Indemnified Parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything to the contrary herein, neither Participant nor the City Indemnified Parties shall, without the written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed), settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless (x) the claimant(s) and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim and (y) in the case of any such settlement, compromise, consent to default or to entry of any judgment by Participant, such settlement, compromise or judgment otherwise provides solely for payment of monetary damages for which the City Indemnified Parties will be indemnified in full and shall have no financial responsibility.

17. Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (a) this Use Covenant is in full force and effect and a binding obligation of the parties, (b) this Use Covenant has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting party is not in default in the performance of its obligations under this Use Covenant, or if in default, to describe therein the nature and amount of any such defaults, and (d) such other information as may reasonably be requested. In the event the estoppel certificate discloses any default, breach or event, it shall also

state the manner in which such default, breach and/or event may be cured. The party requesting such certificate or agreement shall provide the form thereof, provided such certificate or agreement is of a form and substance that is commercially reasonable. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The City Manager shall have the right to execute any certificate requested by Participant hereunder. City acknowledges that a certificate hereunder may be relied upon by transferees, lenders and mortgagees, and their respective successors and/or assigns.

18. Counterparts. This Use Covenant may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Use Covenant, which, with all attached signature pages, shall be deemed to be an original Use Covenant.

[SIGNATURES CONTAINED ON THE NEXT PAGE]

IN WITNESS WHEREOF, the City, FEI and the MSG have signed this Use Covenant as of the dates set opposite their signatures.

THE CITY OF INGLEWOOD

Dated: _____

By: _____
James T. Butts, Jr.
Mayor

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____
Name: Marc T. Little
Title: Chief Operating Officer & General Counsel

APPROVED AS TO FORM AND
LEGALITY:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE EAST ALONG THE NORTHERLY LINE OF SECTION 34, WHICH IS ALSO THE CENTERLINE OF MANCHESTER BOULEVARD (100 FEET WIDE), A DISTANCE OF 1182.91 FEET; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 50.00 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID MANCHESTER BOULEVARD, WHICH IS THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 1270.00 FEET; THENCE WEST, A DISTANCE OF 1149.91 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 1234.89 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 72° 30' 30" EAST, ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 55.27 FEET TO A POINT OF TANGENCY IN A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 122.12 FEET; THENCE TANGENT TO SAID CURVE, EAST ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 976.97 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN DEEDS TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-682, PAGE 530, IN BOOK D-1473, PAGE 328, AND IN BOOK D-4209, PAGE 199, ALL OF SAID OFFICIAL RECORDS AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE

OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN SAID DEED RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST, A DISTANCE OF 150.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF PRAIRIE AVENUE, 78.00 FEET WIDE, WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE NORTH ALONG SAID EASTERLY LINE, 107.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 635.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 715.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO A POINT OF TANGENCY WITH SAID SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SECTION 34; THENCE EAST ALONG SAID SOUTHERLY LINE, 3218.78 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 635.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 120.34 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 715.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 262.55 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF THE NORTHERLY 1240.00 FEET OF SAID SECTION 34; THENCE WEST ALONG SAID LAST MENTIONED SOUTHERLY LINE, 2433.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1960.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 476.96 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 2040.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 496.32 FEET; THENCE TANGENT TO SAID CURVE, WEST 190.00 FEET; THENCE NORTH 45° 00' 00" WEST 14.14 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG SAID EASTERLY LINE, 100.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE WESTERLY LINE OF SAID SECTION; SOUTH 00° 00' 05" EAST 1212.20 FEET;

THENCE EAST 33.00 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 45° 00' 00" 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 635.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 715.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO ITS TANGENT INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE ALONG SAID SOUTHERLY LINE, WEST 751.52 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE ALONG SAID EASTERLY LINE, NORTH 00° 00' 05" WEST 107.80 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, 78 FEET WIDE; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY THE DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS OF SAID COUNTY; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED, AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST 150.28 FEET TO THE HEREINBEFORE MENTIONED PRAIRIE AVENUE, 78 FEET WIDE, SAID POINT ALSO BEING ON THE EASTERLY LINE OF THE WESTERLY 33.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 00' 05" EAST 581.80 FEET TO THE NORTHERLY EXTREMITY OF THAT CERTAIN COURSE IN THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO THE FORUM OF INGLEWOOD, INC., RECORDED JULY 26, 1966 AS INSTRUMENT NO. 1944, IN BOOK D-3377, PAGE 47, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS HAVING A BEARING AND LENGTH OF "NORTH 45° 00' 00" WEST 14.14 FEET"; THENCE ALONG LAST MENTIONED LINE, SOUTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 30.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY

AND HAVING A RADIUS OF 28.00 FEET, SAID CURVE ALSO BEING TANGENT AT ITS POINT OF ENDING WITH THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 59' 55", AN ARC DISTANCE OF 43.98 FEET TO SAID POINT OF TANGENCY; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 0° 00' 05" WEST 563.80 FEET; THENCE NORTH 1° 31' 38" EAST 150.03 FEET TO THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE NORTH 0° 00' 05" WEST 253.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 63.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 52' 43", AN ARC DISTANCE OF 81.88 FEET TO THE HEREINBEFORE MENTIONED SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 400.00 FEET, A RADIAL AT SAID POINT BEARS NORTH 16° 07' 22" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 22' 08", AN ARC DISTANCE OF 9.56 FEET; THENCE TANGENT TO SAID CURVE SOUTH 72° 30' 30" WEST 26.65 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM SAID LAND, AN UNDIVIDED 28/200THS OF 1 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM SAID LAND, AS RESERVED BY MANCHESTER AVENUE COMPANY, IN DEED RECORDED AUGUST 31, 1956 AS INSTRUMENT NO. 2084, IN BOOK 52179, PAGE 412, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST OF INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN ALL OIL AND GAS ROYALTIES AND PAYMENTS DERIVED FROM THE EXISTING OIL AND GAS LEASES ON SAID LAND OR ANY PART THEREOF, WHICH ARE PRESENTLY OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED BY INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN DEED RECORDED NOVEMBER 21, 1962 AS INSTRUMENT NO. 1996, IN BOOK D-1829, PAGE 887, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERAL, OIL AND GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR UNDER SAID LAND BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MASON LETTEAU, P.T. HINCON AND JOHN R. MACFADEN, BEING THE SUCCESSOR IN OFFICE OF CHRIS G. DEMETRIOUS AND THEIR SUCCESSORS IN OFFICE AS BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 AS INSTRUMENT NO. 1220, IN BOOK D-2398, PAGE 795, OFFICIAL RECORDS.

APN: 4025-001-002

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[See attached.]

EXHIBIT E

THIS DOCUMENT WAS PREPARED BY,
AND AFTER RECORDING RETURN TO:

_____
_____
_____
_____

(Space Above for Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF OWNER PARTICIPATION AGREEMENT ("**Assignment**") is made as of [_____], by and between MSG FORUM, LLC, a Delaware limited liability company ("**Assignor**"), and [_____], a [_____] ("**Assignee**"), with reference to the following facts:

A. The City of Inglewood, a municipal corporation ("**City**"), The Forum Enterprises, Inc., a Delaware corporation ("**FEI**"), and Assignor entered into that certain Owner Participation Agreement dated January [___], 2012 (the "**OPA**"), pertaining to certain real property owned by Assignor and located in the City of Inglewood, California (the "**Property**"), and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference. FEI no longer has any interest in the Property.

B. Assignor operates a venue at the Property commonly referred to as The Forum (the "**Project**").

C. Assignor is conveying title to the Project to Assignee and, in connection therewith, Assignor proposes to assign Assignor's right, title and interest in and to the Project to Assignee.

D. Assignor desires to assign and transfer to Assignee, and Assignee desires to assume, all of Assignor's right, title and interest as the Participant under the OPA with respect to the Project arising from and after the date hereof, subject to all of the terms, conditions and restrictions set forth in the OPA.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants and conditions herein below set forth, it is agreed:

1. Assignor hereby assigns and transfers to Assignee, all of Assignor's right, title and interest accruing to the Participant under the OPA, subject to the terms, covenants and restrictions set forth in the OPA.

2. Assignee hereby assumes all of the obligations under the OPA and agrees to observe and fully perform all of the duties and obligations of Assignor under the OPA, and to be

subject to the terms and conditions thereof, it being the express intention of both Assignor and Assignee that, upon execution of this Assignment and conveyance of the Property to the Assignee, Assignee shall become substituted for Assignor as "Participant" and "Party" under the OPA and the Assignor shall be unconditionally and irrevocably released therefrom from and after the date hereof.

3. Assignor warrants and represents to Assignee that Assignor has full right and authority to make this Assignment and vest in Assignee the rights, interests, powers and benefits hereby assigned.

4. Assignee warrants and represents to Assignor that Assignee has full right and authority to execute this Assignment.

5. This Assignment is expressly conditioned upon the Closing of the transaction contemplated in the Purchase Agreement.

6. This Assignment is not intended as a mortgage or security device of any kind.

7. Notwithstanding anything to the contrary contained herein, the assumption by Assignee of any obligations pursuant to this Assignment is not, and shall not be construed to be, for the benefit of Assignor, and under no circumstances shall Assignor or any affiliate of Assignor have any liability to Assignee with respect to such assumed obligations or otherwise.

8. This Assignment may be executed in counterparts which taken together shall constitute one and the same instrument.

9. The provisions of this instrument shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

10. Assignor and Assignee each hereby covenants that it will, at any time and from time to time, execute any documents and take such additional actions as the other, or its respective successors or assigns, shall reasonably require in order to more completely or perfectly carry out the transfers intended to be accomplished by this Assignment.

11. This Assignment shall be construed and interpreted in accordance with the laws of the State of California.

[SIGNATURE PAGES TO FOLLOW]

EXHIBIT E

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first set forth above.

"**ASSIGNOR**"

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

EXHIBIT E

"ASSIGNEE"

_____,
a _____

By: _____
Name _____
Title: _____

EXHIBIT E

ACKNOWLEDGED AND AGREED:

"**CITY**" [IF REQUIRED]

CITY OF INGLEWOOD,
a municipal corporation

By: _____

_____, Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

EXHIBIT "A"

TO

ASSIGNMENT AND ASSUMPTION OF
AGREEMENT

LEGAL DESCRIPTION

Real property in the County of Los Angeles, State of California, described as follows:

EXHIBIT F

FORM OF RELEASE OF CONSTRUCTION COVENANTS

[See attached.]

EXHIBIT F

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Inglewood
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attention: City Attorney

Exempt from recording fees pursuant to
California Gov't Code Section 6103

Space above this line for Recorder's use.

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS (this "**Release**") is made by the CITY OF INGLEWOOD, a municipal corporation (the "**City**"), effective as of _____, 20__.

RECITALS

A. MSG Forum, LLC, a Delaware limited liability company ("**Participant**"), The Forum Enterprises, Inc., a Delaware corporation, and City entered into that certain Owner Participation Agreement (the "**OPA**") dated _____, 2012. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the OPA.

B. Pursuant to Section 3.20 of the OPA, within thirty (30) days after Completion of the Rehabilitation Improvements contemplated by the Scope of Work in accordance with the provisions of the OPA and upon written request of Participant, the City has agreed to provide an instrument in the form of this Release, certifying such Completion.

C. Pursuant to Section 3.13 of the OPA, the City and Participant have entered into that certain Agreement Regarding Use Covenants, dated _____ (the "**Use Covenant**") containing certain use restrictions and maintenance covenants.

D. The City has now determined that the Rehabilitation Improvements have been satisfactorily completed in accordance with the OPA.

NOW, THEREFORE, City hereby certifies as follows:

1. Completion of the Rehabilitation Improvements has occurred.

2. All use, maintenance and nondiscrimination covenants contained in the Use Covenant shall remain in effect and enforceable in accordance with their terms. This Release

does not constitute evidence of Participant's compliance with those covenants in the Use Covenant that survive the issuance of this Release.

3. This Release does not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust securing money loaned to finance the Rehabilitation Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.

4. Nothing contained in this instrument shall modify any provisions of the OPA or any other document executed in connection therewith.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXHIBIT F

IN WITNESS WHEREOF, City has executed and issued this Release as of the date first written above.

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: _____
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: _____
Royce K. Jones

EXHIBIT G

RESERVED

EXHIBIT H

EMPLOYMENT AND TRAINING REQUIREMENTS

The term "Participant," as used in this Exhibit H, shall refer to MSG, as Participant.

Workforce Outreach Coordination Program. In consultation with the City and subject to its review, Participant shall prepare, initiate and fund a Workforce Outreach Coordination Program (the "**WOCP**") in the aggregate amount of $250,000, over a period of two (2) years, starting from the Effective Date. Funding for the WOCP shall include the costs of outreach and marketing, and the retention of a qualified Workforce Outreach Coordinator. Participant shall hire a local qualified Workforce Outreach Coordinator whose job responsibilities shall include marshaling and coordinating workforce outreach, training and placement programs for the following types of positions: (i) construction jobs; (ii) employees working for contractors, subcontractors and vendors in connection with Forum operations (*e.g.*, food and beverage concessions or security); and (iii) employees working for Participant-owned facilities at the Forum. The Workforce Outreach Coordinator shall also marshal and coordinate workforce outreach, training and placement programs in order to engage in the following community outreach activities: (i) notification and advertising of available workforce programs; (ii) establishing a community resources list that will include the Inglewood Chamber of Commerce, the Inglewood Partners for Progress, service organizations, block clubs, community town hall meetings, and religious organizations; and (iii) notification and advertising of upcoming job opportunities and job fairs as described below. The overall objectives and goals of the WOCP shall include the following: (i) establishing strategic community outreach partners with existing organizations such as community organizations, churches, and state and local resources; (ii) partnering with community organizations to facilitate intake and assess potential job training candidates; (iii) building working relationships with contractors, religious organizations, local political leaders and other local organizations; (iv) working with contractors to estimate the number of employment opportunities and required skills; and (v) monitoring efforts by contractors as required in this Exhibit H. In furtherance of these objectives, the Workforce Outreach Coordinator shall also coordinate with existing organizations, which offer employment and training programs for Inglewood residents, including the South Bay Workforce Investment Board and other similar organizations so that the expertise of specific organizations is matched with the particular need of the Project, it being recognized that the needs of the Project and the available organizations will change over time.

Local Employment Opportunities. The renovation of the Forum presents a unique opportunity to revitalize an iconic venue. It is anticipated that the increased number of events at the Forum will result in additional employment opportunities for Inglewood residents and businesses. Participant shall engage in the following process with the goal of hiring qualified Inglewood residents for no less than 35% of the employment positions needed in connection with Participant's operation of the Forum and by Participant's contractors, subcontractors and vendors with respect to events: (i) upon commencement of a job search, publication of employment opportunities once each week in a newspaper of general circulation in Inglewood for at least three weeks (unless the job is filled sooner), and (ii) utilization of the resources and networks of the WOCP to identify and solicit qualified Inglewood residents. Participant and its contractors, subcontractors and vendors' obligations with respect to this goal

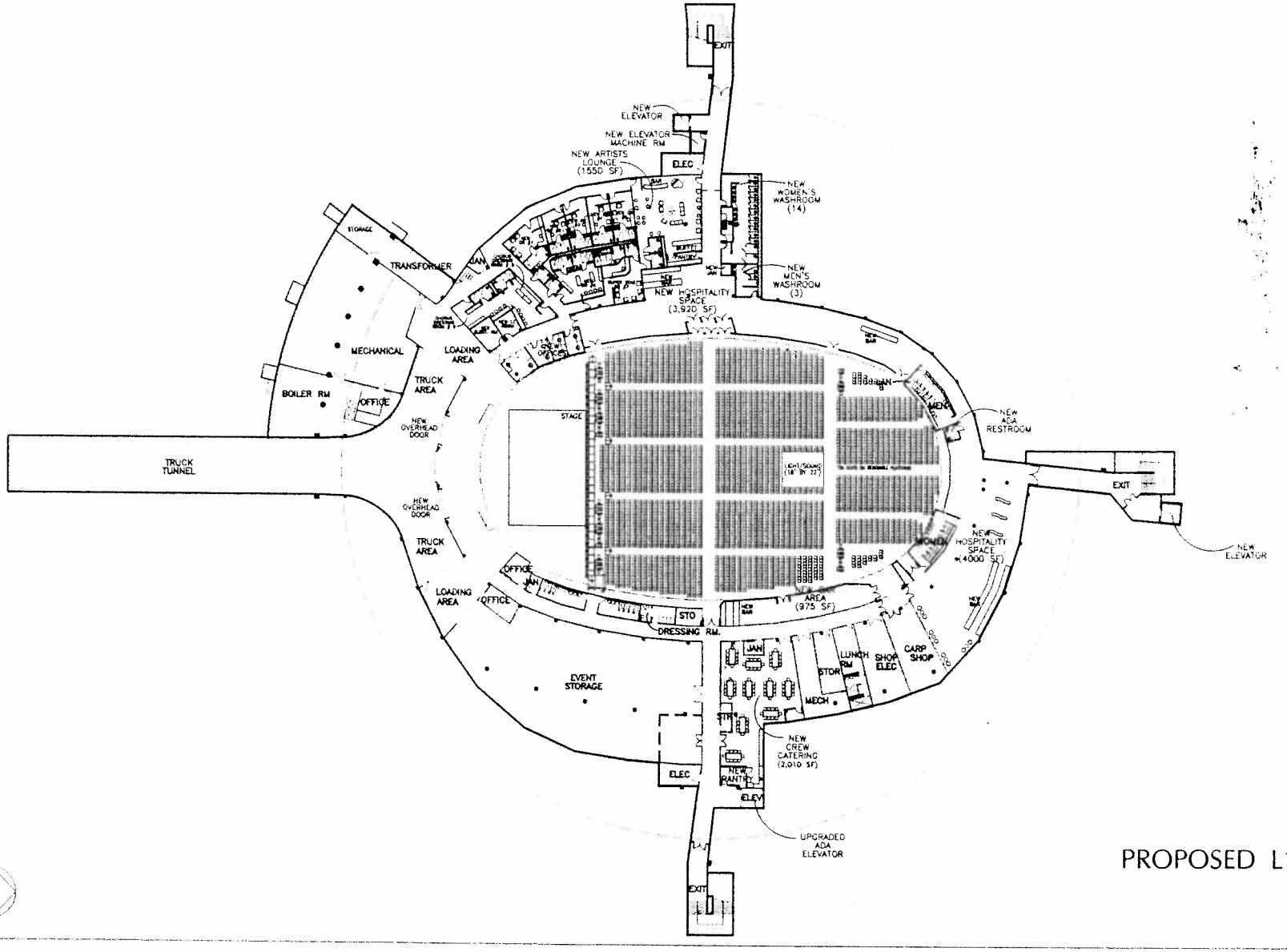
shall be satisfied by engaging in the following activities: (i) utilization of the WOCP to identify and solicit qualified Inglewood residents; (ii) coordination with organizations such as the Inglewood Chamber of Commerce and Inglewood Partners for Progress to identify and solicit qualified Inglewood residents; and (iii) funding (by Participant only) and participation in job fairs as further provided in this Exhibit H.

MBE/DBE Participation Goals. Participant shall require that all construction contractors shall have a goal to achieve participation by MBE/DBEs of at least 30% of the total value of funds awarded for contracts and subcontracts related to construction activities during the Project, with a goal of at least 50% of such 30% goal being awarded to local qualified businesses located in Inglewood. Participant's and its contractors' obligations with respect to this goal shall be satisfied by engaging in the following activities: (i) utilization of the WOCP to identify and solicit MBE/DBEs; (ii) coordination with organizations such as the Inglewood Chamber of Commerce and Inglewood Partners for Progress to identify and solicit MBE/DBEs; and (iii) funding (by Participant only) and participation in job fairs as further provided in this Exhibit H.

Job Fairs. Participant shall contribute a maximum of $25,000 over the lifetime of the Project in order to fund at least two (2) job fairs and related advertising and promotion for the job fairs, in addition to the funding of the WOCP. At least one job fair shall take place three (3) months prior to the commencement of the Project, with the second job fair to take place no later than six (6) months prior to the first ticketed event held after the reopening of the Forum. All job fairs shall be conducted at the Forum, shall be open to the general public and shall include information about available employment opportunities as well as opportunities to submit resumes and applications. Participant shall publish notice of the jobs fair once each week in a newspaper of general circulation in Inglewood for three weeks prior to the jobs fair. Participant shall coordinate and consult with the City in the development and presentation of the job fairs as part of the WOCP.

EXHIBIT I

PLANS

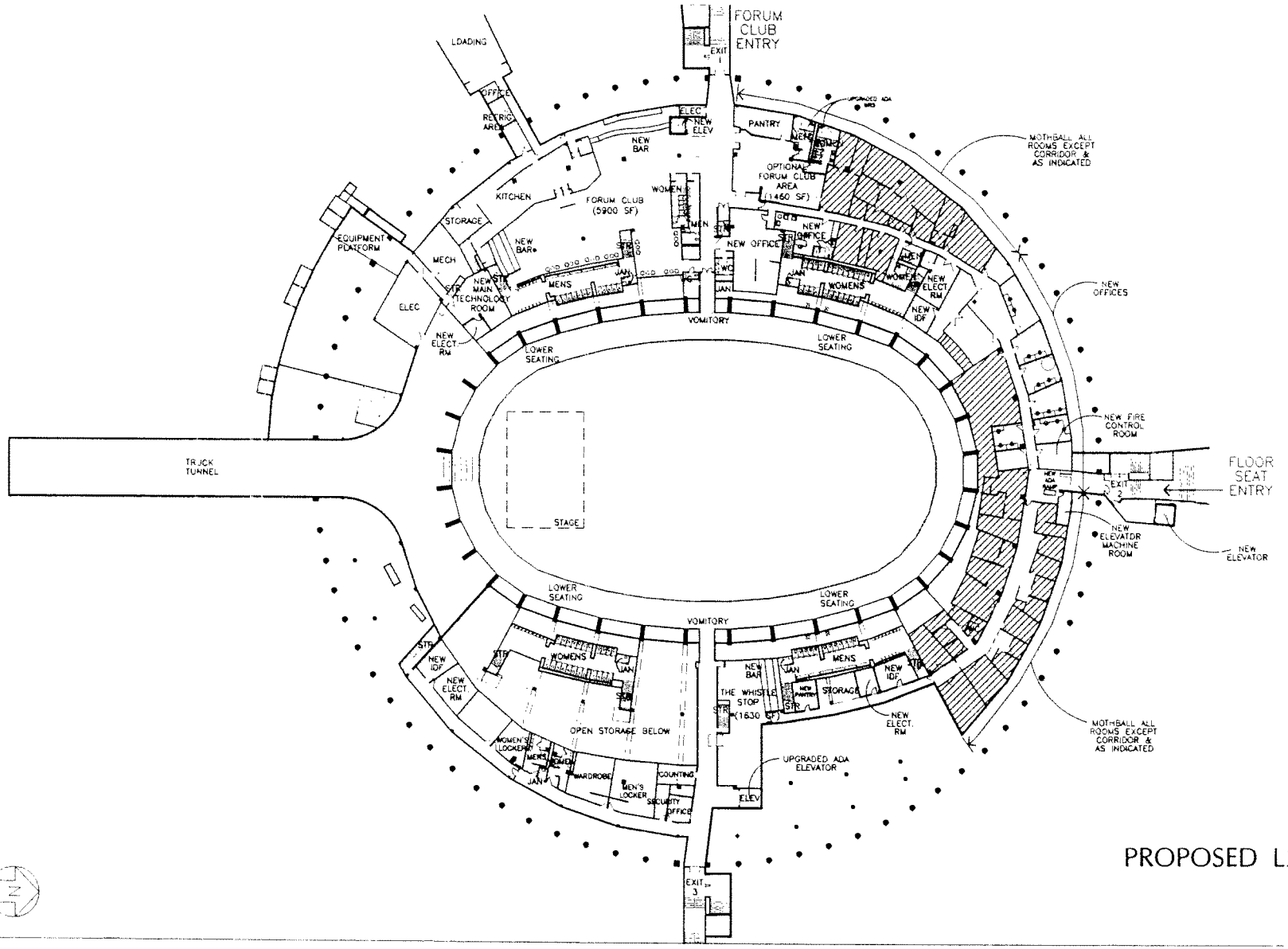


PROPOSED L1- EVENT LEVEL
KEY PLAN
1" = 50'

BBB ARCHITECTS
07-Nov-11

THE FORUM RENOVATION
INGLEWOOD CALIFORNIA

MSG

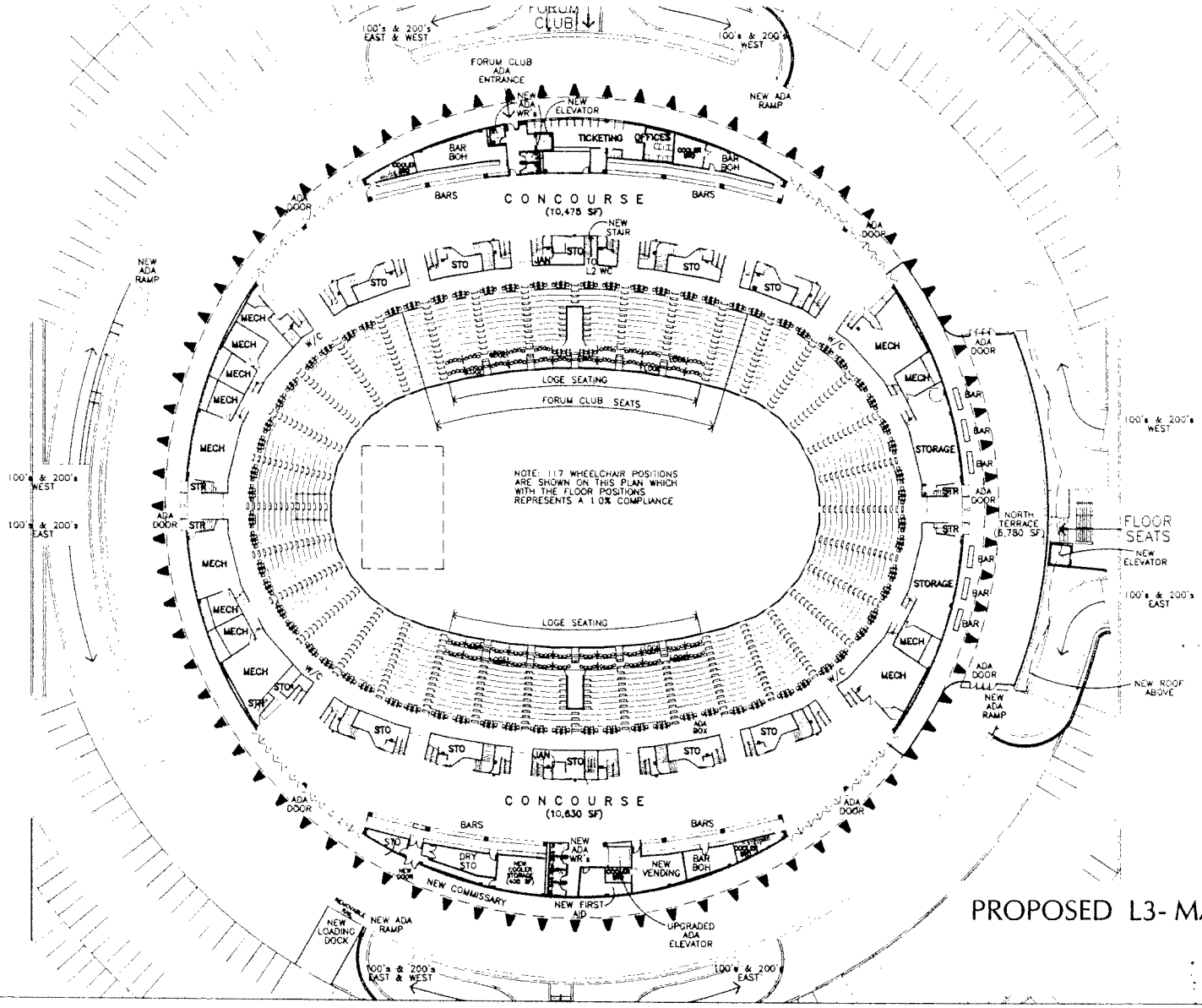


PROPOSED L2- FORUM CLUB
KEY PLAN
1" = 50'

BBB ARCHITECTS
07-Nov-11

THE FORUM RENOVATION
INGLEWOOD CALIFORNIA

MSG



PROPOSED L3- MAIN CONCOURSE
KEY PLAN
1" = 50'

BBB ARCHITECTS
07-Nov-11

THE FORUM RENOVATION
INGLEWOOD CALIFORNIA

MSG

EXHIBIT J

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

Note Amount: $18,000,000 Inglewood, California

_____, 2012

FOR VALUE RECEIVED, the undersigned ("**Borrower**") promises to pay to the CITY OF INGLEWOOD ("**City**") at One Manchester Boulevard, 9th Floor, Inglewood, California 90301, or at such other address as City may direct from time to time in writing, the principal sum of Eighteen Million Dollars ($18,000,000) (the "**Loan Amount**"), as provided in this Promissory Note ("**Note**"). All sums hereunder shall be payable in lawful money of the United States of America.

1. **Definitions**.

For purposes of this Note, the following Capitalized Terms shall have the following meanings:

"**City Loan**" shall mean the loan evidenced by this Note that the City is making to Borrower;

"**Deed of Trust**" shall mean that certain Deed of Trust of even date herewith and executed by Borrower, which Deed of Trust shall secure this Note;

"**Effective Date**" shall mean the date upon which Borrower receives the Loan Amount in accordance with the terms of the OPA;

"**Event of Default**" shall have the meaning ascribed thereto in Section 7 in this Note;

"**FEI**" shall mean The Forum Enterprises, Inc., a Delaware corporation;

"**Forum**" shall mean the edifice located upon the Property sometimes known as the Forum;

"**Loan Year**" shall mean each 365-day period following the Effective Date;

"**OPA**" shall mean that certain Owner Participation Agreement dated January [___], 2012, by and among the City, FEI and Borrower;

"**Property**" shall mean that certain real property, more particularly described in the OPA, including the Forum and other improvements constructed thereon; and

"**Use Restriction**" shall mean the restriction on the use of the Property set forth in Section 3(a) of the Agreement Regarding Use Covenants, which is hereby fully incorporated by reference into this Note.

2. **City Loan**.

This Note is made and delivered pursuant to the OPA, whereby City has made the City Loan to Borrower, the current principal sum of which is the Loan Amount, for the purpose of the rehabilitation by Borrower of the applicable portions of the Property in accordance with the requirements set forth in the OPA. This Note is also made and delivered in connection with the Agreement Regarding Use Covenants entered into by and between City and Borrower pursuant to the OPA, which provides for the use of the Property and the Forum in accordance with the terms and conditions set forth in such Agreement Regarding Use Covenants.

3. **Terms of Note**.

(a) This Note shall bear interest at the rate of three percent (3%) per annum, starting at the beginning of the sixth (6th) Loan Year.

(b) The outstanding principal balance of this Note, together with accrued interest, shall be fully due and payable on [_____], which date shall be the end of the tenth (10th) Loan Year, subject to loan forgiveness as provided in Section 4 below.

(c) Any outstanding principal and interest under this Note may be prepaid, at any time, in whole or in part, without penalty.

4. **Loan Forgiveness**.

(a) At the end of the fifth (5th) Loan Year, Nine Million Dollars ($9,000,000) of the Loan Amount shall automatically be forgiven.

(b) At the end of the sixth (6th) Loan Year, and at the end of each Loan Year thereafter, One Million Eight Hundred Thousand Dollars ($1,800,000) of the remaining Loan Amount shall automatically be forgiven, together with all accrued interest as of each such date, as more particularly set forth below:

[REMAINDER OF PAGE INTENTIONALLY BLANK]

End of Loan Year	Loan Balance at End of Loan Year	Interest Accrued and Forgiven for Loan Year	Principal Forgiven for Loan Year
5	$9,000,000	$0	$9,000,000
6	$7,200,000	$270,000	$1,800,000
7	$5,400,000	$216,000	$1,800,000
8	$3,600,000	$162,000	$1,800,000
9	$1,800,000	$108,000	$1,800,000
10	$0	$54,000	$1,800,000

5. **Reserved**.

6. **Application of Payments; Late Charges**.

(a) Any payments received by the City pursuant to the terms hereof shall be applied first to sums, other than principal, due the City pursuant to this Note, and the balance, if any, to the payment of principal.

(b) If any payment is not received by the City within ten (10) days after the respective due date, then in addition to the remedies conferred upon the City pursuant to this Note, a late charge of ten percent (10%) of the amount due and unpaid will be added to the delinquent amount to compensate the City for the expense of handling the delinquency. Without prejudice to the rights of the City hereunder, Borrower shall indemnify the City against, and shall pay the City on demand, any expense or loss which it may sustain or incur as a result of the failure by Borrower to pay when due any principal, fees, or other amounts payable to the City under this Note, to the extent that any such expense or loss is not recovered pursuant to such foregoing provisions.

7. **Event of Default**.

The failure by Borrower to comply with the Use Restriction without having made the Alternative Use Payment as provided in Section 3(a) of the Agreement Regarding Use Covenants shall be deemed an Event of Default hereunder, *provided*, the City shall not exercise any of its remedies as the result of such Event of Default unless the City first gives notice to the Borrower as provided in Section 9 and the Borrower fails to cure such Event of Default within the time provided in Section 9(b) below.

8. **Remedies**.

Upon the occurrence of an Event of Default, the giving of notice and the expiration of any applicable cure period therefor, City may declare all sums evidenced hereby immediately due and payable by delivery to the Borrower of a written declaration of default and demand for payment. No delay or omission on the part of the City in exercising any right under this Note shall operate as a waiver of such right.

9. **Notice of Default**.

(a) The Borrower must immediately commence to cure, correct, or remedy any failure or delay constituting an Event of Default and shall complete such cure, correction or remedy with reasonable diligence.

(b) The City shall give thirty (30) days' written notice of default to the Borrower, specifying the default complained of by the City. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by the City in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by the City in asserting any of its rights and remedies shall not deprive the City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

10. **Attorneys' Fees**.

(a) Borrower agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by City, or adjudged by a court: (i) reasonable costs of collection, costs, and expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (ii) costs of suit and such sum as the court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it.

(b) In addition to the foregoing award of attorneys' fees, City shall be entitled to its attorneys' fees incurred in any postjudgment proceedings to enforce any judgment in Connection with this Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

(c) In the event of any other dispute arising in connection with this Note, the prevailing party shall be entitled to its costs and fees, including reasonable attorneys' fees.

11. **Amendments**.

This Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Note so as to become a permanent part thereof.

12. **Severability**.

The covenants of this Note are severable. Invalidation of any covenant or any part thereof by law, judgment, or court order shall not affect any other covenant.

13. **Borrower's Waivers**.

Borrower waives any right to require the City to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor") (c) to obtain an official certification of nonpayment (known as "protest").

14. **Notices**.

Any notice that must be given to Borrower under this Note shall be given by delivering it or mailing it by certified mail addressed to Borrower at the following address:

To Borrower:	MSG Forum, LLC c/o MSG Holdings, L.P. 2 Penn Plaza New York, New York 10121 Attention: General Counsel Telephone: (212) 465-6300
To City:	The City of Inglewood One Manchester Boulevard, 9th Floor Inglewood, California 90301 Attention: City Manager Telephone: (310) 412-5290

Any notice that must be given to the City under this Note will be given by mailing it certified mail at the address above. A notice shall be mailed to the City at a different address if the Borrower is given a notice of that different address.

15. **Non-Waiver**.

Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment.

16. **Transfers and Assignments**.

This Note is not transferrable except (a) by Borrower, in connection with a transfer of the Property, and (b) by City, in connection with a transfer to a successor governmental agency.

17. **Successors Bound**.

This Note shall be binding upon the parties hereto and their respective heirs, successors and assigns.

[SIGNATURE FOLLOWS ON NEXT PAGE]

Executed in Inglewood, California, as of the day and year first above written.

"**Borrower**":

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

EXHIBIT K

FORM OF DEED OF TRUST

EXHIBIT K

OFFICIAL BUSINESS:

Document entitled to free recording per
California Government Code Sections
6103 and 27383

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

The City of Inglewood
One Manchester Boulevard, 9th Floor
Inglewood, California 90301
Attention: City Manager

DEED OF TRUST

THIS DEED OF TRUST ("Deed of Trust"), is executed as of [_____], by MSG FORUM, LLC, a Delaware limited liability company ("Trustor"), FIRST AMERICAN TITLE INSURANCE COMPANY ("Trustee"), and the CITY OF INGLEWOOD, a municipal corporation ("Beneficiary").

ARTICLE 1. GRANT IN TRUST

For the purposes and upon the terms and conditions set forth in this Deed of Trust, Trustor irrevocably grants, conveys and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, that certain real property described on Exhibit A attached hereto (the "Land"), together with the following, whether now or hereafter existing, except to the extent that any of the following or the foregoing constitutes personal property: (1) all buildings, structures and other improvements erected or located on the Land (collectively, the "Real Property Improvements"); and (2) all easements, rights-of-way or use, air rights and development rights, and other estates, right, title, interest, privileges and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to or benefiting the Land or the Real Property Improvements (collectively, the "Real Property Other Interests"). Collectively, the Land, the Real Property Improvements and Real Property Other Interests are referred to as the "Real Property." **ARTICLE 2.**

OBLIGATIONS SECURED

2.1 **OBLIGATIONS SECURED**. Trustor makes this Deed of Trust for the purpose of securing Trustor's obligations with respect to payment to Beneficiary of all sums at any time owing under that certain Promissory Note ("Note") of even date herewith, in the original principal amount of EIGHTEEN MILLION DOLLARS ($18,000,000), executed by Trustor and payable to the order of Beneficiary, as lender (the "Secured Obligations").

EXHIBIT K

2.2 **INCORPORATION**. All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Real Property shall be deemed to have notice of the terms of the Secured Obligations.

ARTICLE 3. RIGHTS AND DUTIES OF THE PARTIES

3.1 **ACCEPTANCE OF TRUST; POWERS AND DUTIES OF TRUSTEE**.

(a) Trustee accepts this trust when this Deed of Trust is recorded. Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies.

(b) Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in, or defend any action, suit, or other proceeding in connection therewith where, in his opinion, such action would be likely to involve him in expense or liability, unless requested so to do by a written instrument signed by Beneficiary and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to Trustee against any and all cost, expense, and liability arising therefrom. Trustee shall not be responsible for the execution, acknowledgment, or validity of the Note, or for the proper authorization thereof, or for the sufficiency of the lien and security interest purported to be created hereby, and Trustee makes no representation in respect thereof or in respect of the rights, remedies, and recourses of Beneficiary.

(c) With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) to select and employ, in and about the execution of his duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith, and (iv) any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Real Property for debts contracted for or liability or damages incurred in the management or operation of the Real Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by Trustee in the performance of Trustee's duties

hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

(d) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(e) Should any deed, conveyance, or instrument of any nature be required from Trustor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to the Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by the Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Trustor.

3.2 **SUBSTITUTION OF TRUSTEE**. From time to time, by a writing, signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of Los Angeles County, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this Section 3.2shall be conclusive proof of the proper substitution of such new Trustee.

3.3 **RECONVEYANCE**. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust or a certified copy thereof and any note, instrument, or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Real Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Real Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Real Property to the person or persons legally entitled thereto.

3.4 **SUBORDINATION**.

(a) General. Payment of the principal of and interest on the Note (and other amounts payable on or in respect thereof) (the "Subordinated Debt") shall be subordinate and subject in right of payment to the prior payment in full in cash of all Senior Debt (as defined below). The Beneficiary hereby agrees that it will not ask, demand, sue for, take or receive from the Trustor, by set-off or in any other manner, or retain, payment (in whole or in part) of the obligations hereunder, or any security therefor, unless and until all of the Senior Debt has been paid in full in cash. The Beneficiary directs the Trustor to make, and the Trustor agrees to make, such prior payment of the Senior Debt.

"Senior Debt" means capitalized lease obligations of the Trustor and other indebtedness of the Trustor for borrowed money (whether by loan or the issuance and sale of debt securities)

or for the deferred purchase or acquisition price of property or services in respect of which the Trustor is the purchaser, other than accounts payable (other than for borrowed money) incurred in the ordinary course of business of the Trustor. Without limiting the generality of the foregoing, for the avoidance of doubt, (a) such term shall include (1) all obligations of the Trustor under swap, forward, option, index, commodity, derivative or other similar transactions, (2) all Indebtedness of others guaranteed by the Trustor and (3) all commissions, fees, indemnities, prepayment premiums and other amounts payable to Senior Lenders (as defined below) under the Senior Loan Agreements (as defined below), and postpetition interest and postpetition attorneys' fees and costs, whether or not allowable in bankruptcy).

"Senior Lender" means the providers of Senior Debt.

"Senior Loan Agreements" means the individual loan agreements, indentures or other instruments entered into by the Trustor and the Senior Lenders with respect to Senior Debt.

(b) Payment Upon Dissolution, Etc. In the event of (a) any insolvency or bankruptcy case or proceeding in connection therewith, relative to the Trustor or to its creditors as such, or to its assets, or (b) any liquidation, dissolution or other winding up of the Trustor, whether partial or complete and whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (c) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of the Trustor, then and in any such event the Senior Lenders shall be entitled to receive payment in full in cash of all amounts due or to become due on or in respect of all Senior Debt before the Beneficiary shall be entitled to receive any payment on account of the Subordinated Debt (whether in respect of principal, interest premium, fees, indemnities, commissions or otherwise) and to that end, any payment or distribution of any kind or character, whether in cash, property or securities which may be payable or deliverable in respect of the Subordinated Debt in any such case, proceeding, dissolution, liquidation or other winding up or event shall instead be paid or delivered to the Senior Lenders for application to Senior Debt, whether or not due, until Senior Debt shall have first been fully paid and satisfied in cash.

(c) No Payment When Senior Debt in Default. In the event and during the continuation of any Senior Debt Default (as defined below), unless and until such Senior Debt Default shall have been remedied or waived, no payment shall be made by the Trustor on or in respect of the Subordinated Debt. "Senior Debt Default" means any Default, Event of Default, Prospective Default or similar term under a Senior Loan Agreement.

(d) Proceeding Against the Trustor; No Collateral. Whether or not any default in payment shall exist under any Senior Loan Agreement, the Beneficiary shall not (a) commence any proceeding against the Trustor in bankruptcy, insolvency or receivership law or (b) take any collateral security for the Subordinated Debt.

(e) Payment to Senior Lenders of Certain Amounts Received by the Beneficiary. In the event that during the continuation of any Senior Debt Default, the Beneficiary receives on account or in respect of the Subordinated Debt any distribution of assets by the Trustor or payment by or on behalf of the Trustor of any kind or character, whether in cash, securities or other

property, the Beneficiary shall hold in trust (as property of the Senior Lenders) for the benefit of, and immediately upon receipt thereof, shall pay over or deliver to the Senior Lenders such distribution or payment, in precisely the form received (except for the endorsement or assignment by the Beneficiary where necessary) for application in accordance with the Senior Loan Agreements. In the event of failure of the Beneficiary to make any such endorsement or assignment, Senior Lenders irrevocably are authorized and empowered by and on behalf of the Beneficiary to make the same.

(f) Notice. The Beneficiary agrees, for the benefit of each Senior Lender, that if a Senior Lender provides Beneficiary with an address for notice, Beneficiary will give such Senior Lender prompt notice of any default by the Trustor in respect of the Subordinated Debt.

(g) No Waiver; Modification to Senior Debt. No failure on the part of Senior Lenders, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof by Senior Lenders, nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or future exercise by Senior Lenders of any other right, remedy or power. Each and every right, remedy and power granted to Senior Lenders, or allowed Senior Lenders by law or other agreement shall be cumulative and not exclusive, and may be exercised by Senior Lenders, from time to time.

(h) Subrogation. Subject to the payment in full in cash of all Senior Debt, the Beneficiary shall be subrogated to the rights of the Senior Lenders to receive distribution of assets of the Trustor, or payments by or on behalf of the Trustor, made on the Senior Debt, until Subordinated Debt shall be paid in full. For purposes of such subrogation, no payments over, including no payments or distributions to the Senior Lenders of any cash, property or securities to which the Beneficiary would be entitled except for the provisions hereof, pursuant to the provisions hereof, to Senior Lenders by the Beneficiary shall, as among the Trustor, its creditors other than the Senior Lenders and the Lenders, be deemed to be a payment or distribution by the Trustor on account of the Senior Debt.

ARTICLE 4. DEFAULT PROVISIONS

4.1 **DEFAULT**. For all purposes hereof, the term "Default" shall mean an Event of Default, as such term is defined in the Note, for which Beneficiary has declared all sums evidenced by the Note immediately due and payable, and for which Beneficiary has delivered to Trustor a written declaration of default and demand for payment in accordance with Section 8 of the Note.

4.2 **RIGHTS AND REMEDIES**. At any time after Default, Beneficiary and Trustee shall each have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable;

(b) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy;

EXHIBIT K

(c) To execute a written notice of such Default and of its election to cause the Real Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Real Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Real Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Real Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Real Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale;

(d) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Trustee and Beneficiary, or either of them, determine in their sole discretion.

(e) Upon sale of the Real Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Real Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Real Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Real Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Real Property prior to resale, costs of resale (e.g. commissions, attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Real Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary; (iv) declining trends in real property values generally and with respect to properties similar to the Real Property; (v) anticipated discounts upon resale of the Real Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; <u>and</u> (vii) such other factors or matters that Beneficiary (in its reasonable discretion) deems appropriate. In regard to the above, Trustor acknowledges and agrees that: (w) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between

Trustor and Beneficiary; and (z) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Real Property.

4.3 **APPLICATION OF FORECLOSURE SALE PROCEEDS**. After deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, Trustee shall apply all proceeds of any foreclosure sale: (a) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.

4.4 **NO CURE OR WAIVER**. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Real Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of or security interests created by this Deed of Trust.

4.5 **POWER TO FILE NOTICES AND CURE DEFAULTS**. Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) upon the issuance of a deed pursuant to the foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Real Property, in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, and (b) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Real Property.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 **ENTIRE AGREEMENT**. This Deed of Trust and the Note contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations.

5.2 **MERGER**. No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Real Property unless Beneficiary consents to a merger in writing.

5.3 **RULES OF CONSTRUCTION**. When the identity of the parties or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Real Property" means all and any part of the Real Property, and any interest in the Real Property.

EXHIBIT K

5.4 **SUCCESSORS IN INTEREST**. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

5.5 **EXECUTION IN COUNTERPARTS**. To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

5.6 **CALIFORNIA LAW**. This Deed of Trust shall be construed in accordance with the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California.

5.7 **INCORPORATION**. Exhibit A, as attached, is incorporated into this Deed of Trust by this reference.

5.8 **NOTICES**. All notices, demands or other communications required or permitted to be given pursuant to the provisions of this Deed of Trust shall be in writing and shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that notice of Default may be sent by certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt at the address set forth below; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

To Trustor:	MSG Forum, LLC c/o MSG Holdings, L.P. 2 Penn Plaza New York, New York 10121 Attention: General Counsel Telephone: (212) 465-6300
with a copy to:	Gibson, Dunn & Crutcher LLP 333 S. Grand Avenue, Suite 4900 Los Angeles, California 90071 Attention: Amy R. Forbes, Esq. Telephone: (213) 229-7151
To Beneficiary:	The City of Inglewood One Manchester Boulevard, 9th Floor

EXHIBIT K

	Inglewood, California 90301 Attention: City Manager Telephone: (310) 412-5290
with a copy to:	City Attorney's Office One Manchester Boulevard, 8th Floor Inglewood, California 90301 Attention: City Attorney Telephone: (310) 412-5372
	City Clerk's Office One Manchester Boulevard, 1st Floor Inglewood, California 90301 Attention: City Clerk Telephone: (310) 412-5290
(which will not constitute notice to the City)	Kane, Ballmer & Berkman 515 S. Figueroa Street, Suite 1850 Los Angeles, California 90071 Attention: Royce K. Jones, Esq. Telephone: (213) 617-0480
Trustee:	First American Title Insurance Company _____ _____ Attention: _____ Telephone: _____

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove. Trustor shall forward to Beneficiary, without delay, any notices, letters or other communications delivered to the Real Property or to Trustor naming Beneficiary, "Lender" or any similar designation as addressee, or which could reasonably be deemed to affect the ability of Trustor to perform its obligations to Beneficiary under the Note.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXHIBIT K

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)

COUNTY OF)

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

EXHIBIT A
DESCRIPTION OF REAL PROPERTY

Real property in the City of Inglewood, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE EAST ALONG THE NORTHERLY LINE OF SECTION 34, WHICH IS ALSO THE CENTERLINE OF MANCHESTER BOULEVARD (100 FEET WIDE), A DISTANCE OF 1182.91 FEET; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 50.00 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID MANCHESTER BOULEVARD, WHICH IS THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 00' 05" EAST, A DISTANCE OF 1270.00 FEET; THENCE WEST, A DISTANCE OF 1149.91 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 1234.89 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 72° 30' 30" EAST, ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 55.27 FEET TO A POINT OF TANGENCY IN A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 122.12 FEET; THENCE TANGENT TO SAID CURVE, EAST ALONG THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, A DISTANCE OF 976.97 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND AS DESCRIBED IN DEEDS TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-682, PAGE 530, IN BOOK D-1473, PAGE 328, AND IN BOOK D-4209, PAGE 199, ALL OF SAID OFFICIAL RECORDS AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN SAID DEED RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST, A DISTANCE OF 150.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF PRAIRIE AVENUE, 78.00 FEET WIDE, WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE NORTH ALONG SAID EASTERLY LINE, 107.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 635.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 715.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO A POINT OF TANGENCY WITH SAID SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SECTION 34; THENCE EAST ALONG SAID SOUTHERLY LINE, 3218.78 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 635.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 120.34 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE

SOUTHWEST AND HAVING A RADIUS OF 715.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 262.55 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF THE NORTHERLY 1240.00 FEET OF SAID SECTION 34; THENCE WEST ALONG SAID LAST MENTIONED SOUTHERLY LINE, 2433.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1960.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 476.96 FEET TO A POINT OF REVERSE CURVE, SAID CURVE BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 2040.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 496.32 FEET; THENCE TANGENT TO SAID CURVE, WEST 190.00 FEET; THENCE NORTH 45° 00' 00" WEST 14.14 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG SAID EASTERLY LINE, 100.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE WESTERLY LINE OF SAID SECTION; SOUTH 00° 00' 05" EAST 1212.20 FEET; THENCE EAST 33.00 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING IN THE EASTERLY LINE OF PRAIRIE AVENUE (78 FEET WIDE); THENCE NORTH 45° 00' 00" 14.14 FEET; THENCE EAST 190.00 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 635.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 267.24 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 715.00 FEET; THENCE EASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 300.91 FEET TO ITS TANGENT INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTHERLY 1320.00 FEET OF SAID SECTION 34; THENCE ALONG SAID SOUTHERLY LINE, WEST 751.52 FEET TO SAID EASTERLY LINE OF PRAIRIE AVENUE; THENCE ALONG SAID EASTERLY LINE, NORTH 00° 00' 05" WEST 107.80 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE SOUTH 0° 00' 05" EAST, ALONG THE WESTERLY LINE OF SECTION 34, A DISTANCE OF 530.40 FEET; THENCE NORTH 89° 59' 55" EAST, A DISTANCE OF 33.00 FEET TO A POINT IN THE EASTERLY LINE OF PRAIRIE AVENUE, 78 FEET WIDE; THENCE NORTH 0° 00' 05" WEST, ALONG THE EASTERLY LINE OF PRAIRIE AVENUE, A DISTANCE OF 445.30 FEET TO A POINT IN THE SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY THE DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID SOUTHERLY LINE, NORTH 72° 30' 30" EAST, A DISTANCE OF 28.62 FEET, MORE OR LESS, TO A POINT IN A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 59.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 44° 29' 44" EAST, SAID POINT BEING THE EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF INGLEWOOD, RECORDED IN BOOK D-1473, PAGE 328, OFFICIAL RECORDS OF SAID COUNTY; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN THE LAST MENTIONED DEED, AS FOLLOWS:

SOUTHWESTERLY ALONG SAID CURVE, 47.26 FEET, TANGENT TO SAID CURVE, SOUTH 0° 00' 05" EAST, A DISTANCE OF 261.48 FEET AND SOUTH 3° 37' 23" WEST 150.28 FEET TO THE HEREINBEFORE MENTIONED PRAIRIE AVENUE, 78 FEET WIDE, SAID POINT ALSO BEING ON THE EASTERLY LINE OF THE WESTERLY 33.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE SOUTH 0° 00' 05" EAST 581.80 FEET TO THE NORTHERLY EXTREMITY OF THAT CERTAIN COURSE IN THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN DEED TO THE FORUM OF INGLEWOOD, INC., RECORDED JULY 26, 1966 AS INSTRUMENT NO. 1944, IN BOOK D-3377, PAGE 47, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS HAVING A BEARING AND LENGTH OF "NORTH 45° 00' 00" WEST 14.14 FEET"; THENCE ALONG LAST MENTIONED LINE, SOUTH 45° 00' 00" EAST 14.14 FEET; THENCE EAST 30.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 28.00 FEET, SAID CURVE ALSO BEING TANGENT AT ITS POINT OF ENDING WITH THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 59' 55", AN ARC DISTANCE OF 43.98 FEET TO SAID POINT OF TANGENCY; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 0° 00' 05" WEST 563.80 FEET; THENCE NORTH 1° 31' 38" EAST 150.03 FEET TO THE EASTERLY LINE OF THE WESTERLY 45.00 FEET OF SAID SECTION; THENCE ALONG SAID EASTERLY LINE NORTH 0° 00' 05" WEST 253.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 63.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 52' 43",

AN ARC DISTANCE OF 81.88 FEET TO THE HEREINBEFORE MENTIONED SOUTHERLY LINE OF MANCHESTER BOULEVARD, AS ESTABLISHED BY SAID DEED RECORDED IN BOOK 13109, PAGE 40, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 400.00 FEET, A RADIAL AT SAID POINT BEARS NORTH 16° 07' 22" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 22' 08", AN ARC DISTANCE OF 9.56 FEET; THENCE TANGENT TO SAID CURVE SOUTH 72° 30' 30" WEST 26.65 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM SAID LAND, AN UNDIVIDED 28/200THS OF 1 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR THE PROCEEDS THEREFROM IN AND UNDER OR THAT MAY BE PRODUCED OR SAVED FROM SAID LAND, AS RESERVED BY MANCHESTER AVENUE COMPANY, IN DEED RECORDED AUGUST 31, 1956 AS INSTRUMENT NO. 2084, IN BOOK 52179, PAGE 412, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST OF INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN ALL OIL AND GAS ROYALTIES AND PAYMENTS DERIVED FROM THE EXISTING OIL AND GAS LEASES ON SAID LAND OR ANY PART THEREOF, WHICH ARE PRESENTLY OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED BY INGLEWOOD GOLF COURSE, A PARTNERSHIP, IN DEED RECORDED NOVEMBER 21, 1962 AS INSTRUMENT NO. 1996, IN BOOK D-1829, PAGE 887, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERAL, OIL AND GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN OR UNDER SAID LAND BELOW A DEPTH OF 500 FEET AND WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MASON LETTEAU, P.T. HINCON AND JOHN R. MACFADEN, BEING THE SUCCESSOR IN OFFICE OF CHRIS G. DEMETRIOUS AND THEIR SUCCESSORS IN OFFICE AS BOARD OF TRUSTEES OF THE ENDOWMENT CARE FUND OF INGLEWOOD PARK CEMETERY ASSOCIATION, IN DEED RECORDED MARCH 18, 1964 AS INSTRUMENT NO. 1220, IN BOOK D-2398, PAGE 795, OFFICIAL RECORDS.

APN: 4025-001-002

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("**Agreement**") is made and entered into as of this 30th day of January, 2012 ("**Effective Date**"), by and among the **CITY OF INGLEWOOD**, a municipal corporation ("**City**"); **THE FORUM ENTERPRISES, INC.**, a Delaware corporation ("**FEI**"); **MSG FORUM, LLC**, a Delaware limited liability company ("**MSG**"; MSG and FEI are collectively referred to herein as "**Participant**"); and **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation ("**Escrow Agent**"). City, MSG, FEI and Escrow Agent are collectively referred to in this Agreement as the "**Parties**" and singularly as "**Party**."

RECITALS:

A. City, MSG and FEI are parties to that certain Owner Participation Agreement dated January 30, 2012 ("**OPA**"), a copy of which is attached hereto as **Exhibit A** and incorporated herein. All initially capitalized terms that are used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the OPA.

B. Concurrently with the City's execution of the OPA, the City is obligated to make a loan in the amount of Eighteen Million Dollars ($18,000,000) (the "**Loan**") to fund or reimburse Participant or MSG (as determined by MSG) for the rehabilitation of the Site by Participant. The Loan shall be placed into an interest-bearing escrow account (the "**Escrow Account**"), and shall be released to Participant pursuant to and in accordance with the terms of this Agreement and Section 2.3 of the OPA.

C. As described in more detail in the OPA, MSG is under contract to purchase the Site from FEI, subject to the terms and conditions of the Purchase Agreement. From and after the Closing, FEI shall no longer own the Site and shall no longer be a Party under the OPA, and shall automatically have no rights, obligations or liability liabilities thereunder or under this Agreement, and the term "Participant" shall no longer include FEI under the OPA or under this Agreement.

D. Escrow Agent has agreed to act as the "Escrow Agent" under the OPA pursuant to and in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Obligations of Escrow Agent. Escrow Agent hereby acknowledges that it shall act as the Escrow Agent pursuant to the OPA. Escrow Agent shall comply with the terms and conditions set forth in this Agreement. Escrow Agent shall hold, invest and disburse the Loan funds deposited into the Escrow Account strictly in accordance with the terms and conditions of this Agreement.

2. Release of Loan. Upon Completion and execution of the Promissory Note and recordation of the Deed of Trust, Escrow Agent shall automatically, without need for action by any Party, release one hundred percent (100%) of the Loan to MSG as Participant from the

Escrow Account, *provided* MSG as Participant has delivered to Escrow Agent the following documentation:

a. Written notice specifying that Completion of the Rehabilitation Improvements has occurred.

b. Wiring instructions and details of a designated account of MSG as Participant to which the Loan shall be wired.

c. (i) A letter signed by MSG, as Participant, certifying to the Escrow holder that MSG, as Participant, has delivered to City the Documented Costs required by Section 3.2.1 of the OPA, together with (ii) an acknowledgment from City (which may be in the form of an e-mail) that City has received such delivery.

d. The original executed Promissory Note.

e. The original, executed and notarized Deed of Trust.

3. Account Fees. All fees, costs and expenses of the Escrow Agent with respect to the Escrow Account established pursuant to this Agreement (the "**Account Fees**") shall be paid for by MSG as Participant. The City may retain any interest that accrues in the Escrow Account, provided that if there is a dispute as to the release of monies from Escrow, the party prevailing in such dispute shall be entitled to any interest accrued from and after the date of such dispute.

4. Compliance with Court Orders. The Parties hereby acknowledge that Escrow Agent may accept, obey and comply with any and all writs, orders, judgments or decrees issued or entered by any court with or without jurisdiction (a "**Court Order**"), in which case, notwithstanding anything to the contrary in this Agreement, Escrow Agent shall not be liable to either Party by reason of such acceptance, obedience or compliance, regardless of whether such Court Order is subsequently reversed, modified, annulled, set aside or vacated.

5. Release and Indemnification. Each of the City, MSG and FEI hereby release Escrow Agent and its officers, managers, employees and agents (each, an "**Escrow Agent Party**"), for any liability, damage, loss, cost or expense incurred by such Party to the extent resulting from (i) any action taken or not taken in good faith upon advice of Escrow Agent's counsel given with respect to any questions relating to its obligations under this Agreement, or (ii) any action taken or not taken in reliance upon any document, including any written notice provided to Escrow Agent pursuant to this Agreement, as to the due execution and the validity and effectiveness of such document, and the truth and accuracy of any information contained therein, which such Escrow Agent Party in good faith believes to be genuine, to have been signed or presented by a duly authorized person or persons, and to comply with the terms of the OPA and this Agreement, except to the extent resulting from the gross negligence, willful default, intentional misconduct or breach of trust by such Escrow Agent Party. Each of City and MSG, jointly and severally, shall indemnify and hold harmless any Escrow Agent Party against any liability, damage, loss, cost or expense, including, without limitation, reasonable attorneys' fees and court costs, incurred by such Escrow Agent Party to the extent resulting from the performance by any Escrow Agent Party of Escrow Agent's obligations under this Agreement,

except to the extent resulting from the gross negligence, willful default, intentional misconduct or breach of trust by such Escrow Agent Party.

6. Relationship of Parties. Each of City, FEI and MSG acknowledges and agrees that Escrow Agent is acting solely as a stakeholder at the Parties' request, and that Escrow Agent shall not be deemed to be the agent of any of City, FEI or MSG.

7. Notices. Notices shall be given in the manner set forth in Section 6.1 of the OPA. Escrow Agent's address for notices shall be:

First American Title Insurance Company
5 First American Way
Santa Ana, California 92701
Attention: Patty Beverly (524761)

8. Successors and Assigns. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, personal representatives, successors and assigns.

9. Entire Agreement. This Agreement, including the Recitals herein, and the OPA, contain the entire agreement and understanding of the Parties hereto.

10. Prevailing Party Costs. If any Party hereto fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or Parties or the Party or Parties not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party or Parties on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

11. Time of Essence. Time is of the essence of this Agreement, and all performances required hereunder shall be completed within the time periods specified. Any failure of performance within the time period specified shall be deemed a material breach.

12. No Waiver; Amendment. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. This Agreement may not be modified or amended except by an instrument in writing expressing such intention executed by all the Parties hereto; *provided, however*, that from and after the Closing, FEI shall no longer be a Party to this Agreement and the signature of FEI shall not be required for any modification or amendment of this Agreement.

13. Governing Law and Venue. This Agreement and all rights and obligations arising out of it shall be governed by and construed in accordance with the laws of the State of California. Any proceeding arising out of this Agreement shall be conducted only in the County of Los Angeles.

14. Counterparts. This Agreement may be signed in counterparts and all counterparts so executed shall constitute one contract, binding on all Parties hereto, even though all Parties are not signatory to the same counterpart. The Parties contemplate that they may be executing counterparts of the Agreement transmitted by facsimile or by email and agree and intend that a signature sent by facsimile machine or email shall bind the Party so signing with the same effect as though the signature were an original signature.

15. No Third Party Beneficiaries. This Agreement is intended to confer rights and benefits only upon the Parties and their successors and assigns and is not intended to confer any rights or benefits upon any other person. No person other than the Parties and their successors and assigns shall have any legally enforceable rights hereunder, *provided* that from and after the Closing, the only Parties with rights hereunder are the City and MSG. All rights of action for any breach of this Agreement are hereby reserved to the Parties hereto and their successors and assigns.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City, FEI, MSG and Escrow Agent have each entered into this Agreement as of the date first written above.

CITY:

THE CITY OF INGLEWOOD,
a municipal corporation

By: _____
James T. Butts, Jr., Mayor

FEI:

THE FORUM ENTERPRISES, INC.,
a Delaware corporation

By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG:

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, City, FEI, MSG and Escrow Agent have each entered into this Agreement as of the date first written above.

CITY:

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a municipal corporation

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By: _____

Marc T. Little, Chief Operating Officer &
General Counsel

MSG:

MSG FORUM, LLC,
a Delaware limited liability company

By: MSG National Properties LLC,
a Delaware limited liability
company, its sole member

By: _____
Name: Mark C. CreSitello
Title: Senior Vice President &
Assistant Secretary

[SIGNATURES CONTINUE ON NEXT PAGE]

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: Patty Brown 1-27-12
Name: Patty Brown
Title: VP

524-161

ATTEST:

By: Yvonne Horton
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: Cal P. Saunders
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Special Counsel

By: Royce K. Jones
Royce K. Jones

EXHIBIT A

OWNER PARTICIPATION AGREEMENT

[See attached]

OWNER PARTICIPATION AGREEMENT

By and Among

THE INGLEWOOD REDEVELOPMENT AGENCY,
a public body, corporate and politic,

and

THE CITY OF INGLEWOOD,
a charter city of the State of California

and

REGENT 145, L.P.,
a California limited partnership

(527 West Regent Street)

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 3
ARTICLE II SUBJECT OF THIS AGREEMENT 15
Section 201 Purpose of Agreement 15
Section 202 The Redevelopment Plan 15
Section 203 The Redevelopment Project Area 16
Section 204 The Site 16
Section 205 Parties to the Agreement 16
Section 206 Prohibition Against Transfers; Right of First Refusal 17
ARTICLE III DEVELOPMENT OF THE PROJECT 18
Section 301 Agency Assistance 18
Section 302 Scope of Development 20
Section 303 Project Construction Drawings and Related Documents 20
Section 304 Agency Approval of Project Plans, Drawings and Related Documents 21
Section 305 Project Development Costs 22
Section 306 Schedule of Performance 22
Section 307 Local, State, and Federal Laws 22
Section 308 Nondiscrimination During Construction 25
Section 309 Insurance 25
Section 310 Indemnification 26
Section 311 Participant's Relocation Obligations 27
Section 312 Disclaimer of Responsibility by the Agency 27
Section 313 Rights of Access 28
Section 314 Taxes, Assessments, Encumbrances and Liens 28
Section 315 Security Financing; Right of Holders 28
Section 316 Rights to Plans 29
Section 317 Hazardous Materials 29
Section 318 Release of Construction Covenants 30
ARTICLE IV USE OF THE PROPERTY 30
Section 401 Uses 30
Section 402 Management Plan; Annual Project Budget; Quarterly Reports 31
Section 403 Maintenance of the Site 32
Section 404 Lead-Based Paint. 33
Section 405 Barriers to the Disabled 33
Section 406 Creation of Capital Reserve Accounts 34
Section 407 Deposits Into Capital Reserve Accounts 34
Section 408 Obligation to Refrain from Discrimination 34
Section 409 Form of Nondiscrimination and Nonsegregation Clauses 35
Section 410 Effect and Duration of Covenants 36
Section 411 Effect of Violation of Covenants 36
Section 412 Monitoring 36

ARTICLE V DEFAULTS, REMEDIES AND TERMINATION 37
Section 501 Defaults; Notice of Cure; Cure Rights 37
Section 502 Institution of Legal Actions 38
Section 503 Applicable Law 38
Section 504 Acceptance of Service of Process 39
Section 505 Rights and Remedies Are Cumulative 39
Section 506 Specific Performance 39
Section 507 Termination by Agency 39
Section 508 Termination by Participant 40
Section 509 Termination by Either Party 40
Section 510 [Intentionally omitted] 41
Section 511 Limited Recourse Obligations 41
Section 512 Litigation Costs. 41
ARTICLE VI GENERAL PROVISIONS 41
Section 601 Participant's Warranties. 41
Section 602 Notices, Demands and Communications between the Parties 42
Section 603 Conflicts of Interest 44
Section 604 Nonliability of Agency and City Officials and Employees 44
Section 605 Extension of Times of Performance 44
Section 606 Inspection of Books and Records 44
Section 607 Use of Project Images 45
Section 608 Legal Incapacity of Agency 45
Section 609 Agency Indemnification of City 46
Section 610 Action or Approval 46
Section 611 Assurances to Act in Good Faith 47
Section 612 Real Estate Commissions 47
Section 613 Employment and Training Requirements 47
Section 614 Interpretation 47
Section 614 Severability 47
Section 615 No Third Party Beneficiaries 47
Section 616 Authority to Sign 48
Section 617 Titles and Captions. 48
Section 618 Gender and Number. 48
ARTICLE VII ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS 48
ARTICLE VIII TIME FOR ACCEPTANCE OF AGREEMENT BY THE AGENCY; DATE OF AGREEMENT ..... **ERROR! BOOKMARK NOT DEFINED.**

EXHIBITS

EXHIBIT NO. 1	-	LEGAL DESCRIPTION OF SITE
EXHIBIT NO. 2	-	SITE MAP
EXHIBIT NO. 3	-	METHOD OF FINANCING
EXHIBIT NO. 4	-	SCHEDULE OF PERFORMANCE
EXHIBIT NO. 5	-	SCOPE OF DEVELOPMENT
EXHIBIT NO. 6	-	PROJECT BUDGET
EXHIBIT NO. 7	-	RESIDENTIAL PROMISSORY NOTE
EXHIBIT NO. 8	-	RESIDENTIAL DEED OF TRUST
EXHIBIT NO. 9	-	AGREEMENT CONTAINING COVENANTS
EXHIBIT NO. 10		ASSIGNMENT OF RENTS AND LEASES
EXHIBIT NO. 11	-	ASSIGNMENT OF AGREEMENTS
EXHIBIT NO. 12	-	ENVIRONMENTAL INDEMNITY
EXHIBIT NO. 13	-	UCC1 FINANCING STATEMENT
EXHIBIT NO. 14	-	NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY
EXHIBIT NO. 15	-	RELEASE OF CONSTRUCTION COVENANTS
EXHIBIT NO. 16	-	EMPLOYMENT AND TRAINING REQUIREMENTS
EXHIBIT NO. 17	-	ESCROW AGREEMENT

OWNER PARTICIPATION AGREEMENT

This OWNER PARTICIPATION AGREEMENT ("**OPA**") dated for identification purposes only as of June 1, 2011 is entered into by and among THE INGLEWOOD REDEVELOPMENT AGENCY, a public body, corporate and politic, ("**Agency**"), THE CITY OF INGLEWOOD, a charter city of the State of California ("**City**") and REGENT 145, L.P., a California limited partnership ("**Participant**"). The Agency, the City and Participant (collectively, the "**Parties**") hereby agree as follows:

RECITALS

A. Participant has entered into a purchase and sale agreement with 527 Regent Investors, LLC, a California limited liability company, to acquire fee title to that certain real property located at 527 West Regent Street and legally described in Exhibit No. 1 (the "**Site**") and desires to develop the Site in accordance with the terms and conditions of this OPA. .

B. Participant proposes to develop the Site with one hundred and forty-three (143) units of affordable rental housing for very low, low and moderate income households along with two (2) unrestricted manager units, community space, and common/circulation area to be constructed in or as part of a three (3) story wood-framed building of approximately 154,000 square feet situated over one level of subterranean parking providing for 176 parking spaces, all in accordance with the terms of this OPA and plans submitted to the City of Inglewood Planning Department dated March 16, 2011, and approved June 6, 2011 (the "Project").

C. The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (California Health and Safety Code Section 33000 et seq.). The City is a municipal corporation exercising governmental functions and powers and organized and existing pursuant to the laws of the State of California.

D. Pursuant to the Community Redevelopment Law, the Agency has established a Low and Moderate Income Housing Fund and has deposited therein certain tax revenues made available to the Agency exclusively for the purpose of increasing, improving and preserving the community's supply of affordable low and moderate income housing ("**Set Aside Funds**").

E. The Agency desires to meet its affordable housing goals pursuant to the Community Redevelopment Law by making a loan to the Participant of Set Aside Funds in the approximate amount of THIRTEEN MILLION NINE HUNDRED FORTY EIGHT THOUSAND DOLLARS ($13,948,000) (the "**Residential Loan**"), subject to and conditioned upon the terms and conditions of this OPA, to assist the Participant in development of the Project..

F. It is also contemplated by the parties that the Participant shall request and obtain a City loan (if approved by the City) from certain proceeds made available to the City from the

United States Department of Housing and Urban Development ("**HUD**") pursuant to the HOME Investment Partnerships Program (the "**HOME Program**") in the proximate amount of FOUR MILLION DOLLARS ($4,000,000) (the "**HOME Loan**"). The HOME Loan, if approved by the City shall be evidenced by a separate agreement by and between the Participant and the City (the "HOME Agreement") which shall specifically provide for the restriction and subjection of the "Moderate Income Units" (as described hereinbelow) in compliance with the HOME Program requirements applicable with the HOME Loan. For purposes of this Agreement, each of the Moderate Income Units so restricted by the Home Program requirements may be referred to individually and/or collectively as the "HOME Units" as applicable.

G. The Agency took action on March 14, 2011 pursuant to which, the Agency made a loan commitment to the Participant (the "**Loan Commitment**"), in which the Agency committed to make the Residential Loan for the Project, subject to Participant's satisfaction of certain conditions and requirements as set forth in this OPA.

H. The Agency and the City entered into that certain Cooperation Agreement dated January 28, 2011, as amended by that certain First Amendment to Cooperation Agreement dated February 15, 2011 and that certain Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the "**Cooperation Agreement**") obligating the City to, among other things, carry out the Project and obligating the Agency to, among other things, pay the City's costs of carrying out the Project.

I. In furtherance of the Cooperation Agreement and to achieve important public purposes, the Agency has heretofore conveyed all Agency-owned parcels to the City and has transferred the Agency's cash accounts (the "**Housing and Redevelopment Funds**") to the City.

J. In furtherance of the Cooperation Agreement and to achieve important public purposes, the Agency has heretofore assigned to the City all of the Agency's rights, interests and obligations relating to the development of the Project and the City has accepted and assumed all such rights, interests and obligations.

K. It is the intent of the Parties that the City and the Agency cooperate to carry out the duties and obligations of the Agency set forth in this OPA, without resulting liability to the City and without relieving the Agency of its duties and obligations hereunder.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

For purposes of this OPA, the following capitalized terms shall have the following meanings:

"**Administrative General Partner**" shall mean Inglewood Regent Square LLC, a California limited liability company, unless and until removed or replaced with another entity reasonably acceptable to the Agency, pursuant to the terms of this OPA and the Limited Partnership Agreement.

"**Affiliate**" shall mean (i) any party directly or indirectly controlling, controlled by or under common control with another party, (ii) any party owning or controlling 10% or more of the outstanding voting securities of such other party, (iii) any officer, director or partner of such party, or (iv) if such other party is an officer, director or partner, any company for which such party acts in any such capacity.

"**Affordable Rent**" shall mean the monthly payments charged to and paid by tenants to the Participant for the use and occupancy of a Restricted Unit and facilities associated therewith, including a reasonable allowance for utilities. Affordable Rent shall mean:

(a) for Very Low Income Units, rental rates not to exceed thirty percent (30%) times fifty percent (50%) of Area Median Income adjusted for household size appropriate to the unit.

(b) for Low Income Units, rental rates not to exceed thirty percent (30%) times sixty percent (60%) of Area Median Income adjusted for household size appropriate to the unit.

(c) for Moderate Income Units, rental rates not to exceed thirty percent (30%) times one hundred ten percent (110%) of Area Median Income adjusted for household size appropriate to the unit.

As used in this definition of "Affordable Rent" the phrase "adjusted for household size appropriate to the unit" means a household size equal to the number of bedrooms in the unit plus one. Affordable Rent shall include a reasonable utility allowance for tenant-paid utilities based on the Los Angeles County Housing Authority's published utility schedules.

"**Affordable Units**" or "**Restricted Units**" shall mean the Very Low Income Units, the Low Income Units and the Moderate Income Units.

"**Agency**" shall mean the Inglewood Redevelopment Agency, a public body, corporate and politic, having its offices at One Manchester Boulevard, Inglewood, CA 90301, and any assignee of, or successor to, the rights, powers, and responsibilities of the Agency.

"**Agency Loan**" shall mean the Residential Loan in a total amount not to exceed THIRTEEN MILLION NINE HUNDRED FORTY EIGHT THOUSAND DOLLARS ($13,948,000.00).

"**Agreement Containing Covenants**" shall mean that certain Agreement Containing Covenants and Declaration of Covenants and Restrictions, substantially in the form attached hereto as Exhibit No. "9", which is incorporated herein by this reference.

"**Area Median Income**" shall mean the area median income of Los Angeles County, with adjustments for household size, as estimated annually by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 as amended and published by California's Housing and Community Development Department pursuant to Health and Safety Code section 50093.

"**Anti-Terrorism Laws**" shall mean all laws relating to terrorism or money laundering, including, without limitation, the Executive Order and the Bank Secrecy Act, as amended by the USA Patriot Act.

"**Approved Plans**" shall mean Plans approved by the Agency pursuant to this Agreement.

"**Assignment of Agreements**" shall mean the assignment by Participant to the Agency of plans, contracts and permits, substantially in the form attached hereto as Exhibit No. "11", which is incorporated herein by this reference.

"**Assignment of Rents and Leases**" shall mean a document substantially in the form attached hereto as Exhibit No. "10", which is incorporated herein by this reference.

"**Bank Secrecy Act**" shall mean the Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 91-508, 84 Stat. 1305 (1970), as amended from time to time.

"**Bonds**" shall mean the Multifamily Housing Revenue Bonds (Regent Square Apartments Project) 2011 Series L, to be issued by the California Statewide Communities Development Authority, to provide funding for the Senior Loan.

"**City**" shall mean the City of Inglewood, California, a charter city of the State of California, having its offices at One Manchester Boulevard, Inglewood, CA 90301, and any assignee of, or successor to, the rights, powers, and responsibilities of the City.

"**Community Space**" shall mean that portion of the Project developed for use as a community meeting room, after school learning center, computer center, childcare facility, tot lot, pool and Jacuzzi, security entrance, fitness center, and library space (as well as all ancillary areas associated therewith) in conformity with this OPA and the Scope of Development.

"**Completion**" shall mean, with regard to development of the Project, the satisfaction of each of the following events: (i) the Agency shall have received a certificate of an Agency-approved architect certifying that the Project has been completed substantially in accordance with the Approved Plans as provided in Section 304 of this OPA, and consistent with the requirements of Section 318 of this OPA providing for the issuance of the Release of Construction Covenants; (ii) certificates of occupancy shall have been issued with respect to all of the Units; and (iii) the time for Participant's contractor, suppliers and subcontractors to file a claim pursuant to Civil Code Sections 3115-3117 has expired or Participant has delivered to the Agency unconditional lien releases for its contractor, suppliers and subcontractors, and any mechanic's liens that have been recorded or stop notices that have been delivered have been paid, settled or otherwise extinguished, discharged, released, waived, bonded around or insured against, provided that a notice of completion pursuant to Civil Code Section 3117 has been duly recorded in the land records of Los Angeles County.

"**Construction Deed of Trust**" shall mean the deed of trust securing the Construction Loan.

"**Construction Financing Event**" shall mean the point in time when all conditions precedent to (a) the commencement of disbursements of the Residential Loan for payment of Project Costs in accordance with the Escrow Agreement, (b) the close of escrow for the acquisition of fee title to the Site by Participant, and (c) the funding of the HOME Loan (if approved by the City) and the Construction Loan, have been satisfied, in accordance with the Method of Financing.

"**Construction Lender**" shall mean either JPMorgan Chase Bank, Bank of America, Wells Fargo Bank, Citibank or another bank, savings and loan association, or other similar financial institutional lender approved in advance by the Agency.

"**Construction Loan**" shall mean a loan of construction funds from the Construction Lender in the amount set forth in the final approved Project Budget.

"**Construction Loan Documents**" shall mean, in addition to the Construction Deed of Trust, a loan agreement, promissory note, financing statement, guaranties, and similar documents and instruments to be executed by Participant in connection with the Construction Loan.

"**Construction Period**" shall mean the period of time commencing upon the Construction Financing Event and ending upon the Conversion Date.

"**Conversion Date**" shall mean either (i) the date that all of the conditions precedent to the funding of the Permanent Loan have been satisfied and the Construction Loan has been repaid in full, evidenced by the recording against the Site of a reconveyance of the Construction Loan Deed of Trust or (ii) the date the Construction Loan is converted to the Permanent Loan.

"**Days**" shall mean calendar days and the statement of any time period herein shall be calendar days and not working days, unless otherwise specified.

"**Developer Fee**" means the fee paid to the Administrative General Partner, or an Affiliate thereof, for certain development services performed by the Participant with respect to the development of the Project, in the amount set forth in the final approved Project Budget, the payment of which may be made in partial payments at the Construction Financing Event, Completion of the Project and/or upon the Conversion Date, but some or all of which may be deferred and payable as an Operating Expense (as defined in the Residual Note).

"**Effective Date**" shall mean the date this OPA is executed by the Agency.

"**Eligible Tenant**" shall mean any person entitled to rent a Very Low Income Unit, a Low Income Unit or a Moderate Income Unit as set forth in the Agreement Containing Covenants.

"**Environmental Indemnity**" shall mean the indemnity by Participant, substantially in the form attached hereto as Exhibit No. "12", which is incorporated herein by this reference.

"**Escrow**" shall mean the escrow established with the Title Company for the Construction Financing Event.

"**Escrow Agreement**" shall mean that certain agreement by and among the Agency, City, Participant and the Bond Trustee substantially in the form attached to this Agreement as Exhibit No. 17, which is incorporated herein by this reference; pursuant to which, the City/Agency shall deposit the proceeds of the Residential Loan following the approval of this Agreement, to be disbursed for payment of Project Costs in accordance with the Subordination and Intercreditor Agreement.

"**Executive Order**" shall mean Executive Order No. 13224 on Terrorist Financing, effective September 23, 2001, including the Annex thereto, as amended from time to time.

"**Force Majeure**" or "**Force Majeure Event**" shall mean the following events, provided that they actually delay and interfere with the timely performance of the matter to which it would apply and despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, or suppliers; acts of the other party; acts or failure to act of any Governmental Agency (except ministerial acts or failure to act of the Agency shall not excuse performance by the Agency or the City, provided that all conditions to such actions have been satisfied or waived); the imposition of any applicable moratorium by a Governmental Agency; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party

claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Event unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within ten (10) business days after it obtains actual knowledge of the event.

"**Force Majeure Delay**" shall mean any delay in taking any action required by this OPA, proximately caused by the occurrence of any Force Majeure Event.

"**Four Percent Tax Credit**" shall mean the federal tax credit allocated to the Project by the California Tax Credit Allocation Committee. "Four Percent" refers generally to the applicable percentage of the qualified basis for a building as provided in Internal Revenue Code Section 42(b)(1).

"**Governmental Approvals**" shall mean and include any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act, tentative and final tract maps, variances, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any Governmental Agency in order to commence and complete the Project.

"**Governmental Agency**" means the United States, the State of California, the County of Los Angeles, the City of Inglewood or any other political subdivision in which the Site is located, and any court or political subdivision, agency or instrumentality having jurisdiction over the Site.

"**Hazardous Substances**" shall have the meaning set forth in the Environmental Indemnity.

"**HOME Loan**" shall mean, a loan approved by the City subsequent to the execution of this OPA, and made available to the Participant for the acquisition of the Site in an amount not to exceed Four Million Dollars ($4,000,000) from proceeds provided by the United States Department of Housing and Urban Development ("**HUD**") pursuant to the HOME Investment Partnerships Program.

"**HOME Loan Documents**" shall mean the HOME Note, the HOME Deed of Trust, and the HOME Regulatory Agreement.

"**HOME Units**" shall mean each of the "Moderate Income Units" subjected to and restricted by the HOME Program requirements in accordance with the HOME Agreement.

"**Improvements**" shall mean the improvements to be developed on the Site in accordance with this OPA, including but not limited to the Scope of Development.

"**Investor Limited Partner**" shall mean the entity, or any successor thereof, that will provide the Limited Partner Capital Contribution set forth in the Method of Financing and identified in the Limited Partnership Agreement.

"**Lease**" means the lease entered into between Participant and an Eligible Tenant of an Affordable Unit in the Project.

"**Limited Partner Capital Contribution**" shall mean and refer to the Participant Equity derived from the syndication of the Four Percent Tax Credits, in the form of the initial Limited Partner Capital Contribution and the additional Limited Partner Capital Contribution in the estimated amounts set forth in the Method of Financing (including that portion of the Limited Partner Capital Contribution that will be funded upon receipt of Form(s) 8609 or thereafter, if applicable.

"**Limited Partnership**" shall mean the single purpose entity referred to herein as "Participant", formed for the ownership, development and operation of the Project and the syndication of the Four Percent Tax Credit.

"**Limited Partnership Agreement**" shall mean the agreement governing the Limited Partnership and shall include the Limited Partnership Agreement as amended and restated on the admission of the Investor Limited Partner.

"**Limited Partnership Documents**" shall mean all of those documents required to create the Limited Partnership and to obtain the Four Percent Tax Credit investment, including but not limited to, the Limited Partnership Agreement as amended and restated on the admission of the Investor Limited Partner, and the Guaranty Agreements.

"**Low Income Household**" shall have the meaning given to "lower income household" in Health and Safety Code section 50079.5(a), generally being a household whose income does not exceed 80% of the Area Median Income adjusted for family size.

"**Low Income Units**" shall mean the one (1) studio, twenty-three (23) one bedroom, sixty-eight (68) two-bedroom, and five (5) three-bedroom rental dwelling units in the Project restricted to occupancy by Low Income Households. The term "Low Income Unit" shall mean each of the Low Income Units.

"**Managing General Partner**" shall mean Foundation for Affordable Housing V, Inc., a California non-profit public benefit corporation, unless and until removed or replaced with another nonprofit corporation (or limited liability company with a nonprofit corporation as its sole member or Special Limited Partner) reasonably acceptable to the Agency, pursuant to the terms of this OPA and the Limited Partnership Agreement.

"**Method of Financing**" shall mean the Method of Financing attached hereto as Exhibit No. "3", which is incorporated herein by this reference.

"**Moderate Income Household**" shall mean a household whose income does not exceed 120% of Area Median Income adjusted for family size.

"**Moderate Income Units**" shall mean the seven (7) one-bedroom, fifteen (15) two-bedroom and two (2) three-bedroom rental dwelling units in the Project restricted to occupancy by Moderate Income Households. The term "Moderate Income Unit" shall mean each of the Moderate Income Units.

"**Net Proceeds**" shall mean the amount, if any, by which a refinancing exceeds the amount needed to repay a Senior Loan in full and any unpaid Deferred Participant Fee, including principal and interest, any early redemption or prepayment penalty, and customary and reasonable fees and costs of the transaction.

"**Notice of Affordability Restrictions**" shall mean the notice required by Health & Safety Code Section 33334.3(f) to be recorded against the Site, substantially in the form of Exhibit No. "14" attached hereto.

"**Off-Site Improvements**" shall mean the off-site improvements included in the Project and described the Scope of Development.

"**OPA**" shall mean this OPA executed by and between the Agency and Participant, including all exhibits attached hereto, which exhibits are incorporated herein by this reference and all other documents incorporated herein by reference.

"**Participant**" shall mean REGENT 145, L.P., a California limited partnership, whose address is 4116 W. Magnolia Boulevard, Suite 203, Burbank, California 91505 and any permitted assignee or nominee. The Managing General Partner of the Participant is Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation The Administrative General Partner of the Participant is Inglewood Regent Square, LLC, a California limited liability company. The Social Services Partner of the Participant is Faithful Central Bible Church, a California nonprofit public benefit corporation.

"**Participant Equity**" shall mean funds provided by the Participant for payment of Project Costs and shall not include the Construction Loan, the Residential Loan, the HOME Loan, or any other borrowed funds, and shall include the Deferred Developer Fee and the Limited Partner Capital Contribution, as well as any other funds of the Participant.

"**Permanent Deed of Trust**" shall mean the deed of trust securing the Permanent Loan.

"**Permanent Financing Event**" shall mean the point in time when all conditions precedent to the funding of the Permanent Loan have been satisfied.

"**Permanent Lender**" shall mean JPMorgan Chase Bank, CCRC, Bank of America, or another bank, savings and loan association, or other similar financial institutional lender approved by the Agency.

"**Permanent Loan**" shall mean a loan from the Permanent Lender to repay the Construction Loan, in the amount set forth in the final approved Project Budget or the conversion of the Construction Loan to its permanent phase.

"**Permanent Loan Documents**" shall mean, in addition to the Permanent Deed of Trust, a loan agreement, promissory note, financing statement, guaranties, and similar documents and instruments to be executed by Participant in connection with the Permanent Loan.

"**Permitted Transfer**" shall mean any Transfer that is approved by the Agency or expressly permitted by the terms of this OPA, including but not limited to those transfers described in clause (iii) of the definition of the term "Transfer" set forth in this Article I.

"**Person**" shall mean an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company or other entity, domestic or foreign.

"**Plans**" shall mean any architectural and construction plans and drawings prepared on behalf of Participant for the Project as they may be modified and changed from time to time in accordance with this OPA.

"**Prohibited Person**" shall mean any of the following:

(a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;

(b) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;

(c) a person or entity with whom Participant or Investor Limited Partner is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(d) a person or entity who or that commits, threatens, or conspires to commit or supports "terrorism," as defined in the Executive Order; or

(e) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control of the U.S. Treasury Department at its official web site or any replacement website or other replacement official publication of such list.

"**Project**" shall mean generally the development on the Site of 145 residential Units (including two unrestricted manager units) and community space, and the subsequent rental of

the 22 Very Low Income Units, the 97 Low Income Units and the 24 Moderate Income Units to Eligible Tenants, all at Affordable Rent for a period of not less than 55 years, pursuant to the procedures set forth herein and as more particularly described in the Scope of Development and Agreement Containing Covenants.

"**Project Budget**" shall mean the sources and uses of funds for acquisition of the Site and development of the Project as set forth in Exhibit No. "6." The Project Budget and Participant's proposed method of financing shall be subject to change from time-to-time, subject to the prior written approval of Participant and the Agency Executive Director (or designee) , which approval shall not be unreasonably withheld, conditioned or delayed, and subject to and conditioned on such further review and approval by the Agency's governing board as is needed to satisfy applicable law, policies and procedures, upon which approval the Project Budget shall be replaced by the approved revised Project Budget.

"**Project Costs**" shall mean all costs which are actually incurred by Participant for the development of the Project, and shall include, without limitation, all of the items of cost set forth in the Project Budget and similar costs, fees and expenses as approved by the Agency, but not including the Residential Operating Costs

"**Release of Construction Covenants**" shall have the meaning set forth in Section 318 of this OPA.

"**Residential Deed of Trust**" shall mean the Deed of Trust with Assignment of Rents attached as Exhibit No. "8" hereto, in which Participant is the Trustor and the Agency is the Beneficiary, which secures the Residential Loan.

"**Residential Loan**" shall mean the Agency's loan to Participant in an amount not to exceed THIRTEEN MILLION NINE HUNDRED FORTY EIGHT THOUSAND DOLLARS ($13,948,000.00) of Set Aside Funds, as evidenced by the Residential Note and secured by the Residential Deed of Trust.

"**Residential Loan Documents**" shall mean the Residential Note, the Residential Deed of Trust, the Assignment of Rents, the Assignment of Agreements, and the Environmental Indemnity.

"**Residential Note**" shall mean that certain Promissory Note evidencing the Residential Loan, substantially in the form attached hereto as Exhibit No. "7."

"**Residential Operating Costs**" shall have the same meaning as the definition of Annual Residential Operating Expenses set forth in the Residential Note.

"**Restricted Period**" shall mean the period beginning on the recordation of the Agreement Containing Covenants and continuing until the date that is fifty-five (55) years after the Conversion Date unless sooner terminated by the parties.

"**Restricted Units**" shall mean the Affordable Units.

"**Schedule of Performance**" shall mean that certain schedule attached hereto as Exhibit No. "4", setting forth the times upon which performance by the parties under this OPA is due.

"**Scope of Development**" shall mean that certain exhibit attached hereto as Exhibit No. "5."

"**Senior Deed of Trust**" shall mean, individually and collectively, the Construction Deed of Trust and the Permanent Deed of Trust.

"**Senior Lender**" shall mean, individually and collectively, the Construction Lender and the Permanent Lender.

"**Senior Loan**" shall mean, individually and collectively, the Construction Loan and the Permanent Loan and any Agency-approved refinancing of the Construction Loan and/or the Permanent Loan (including any Take-out Loan) pursuant to the terms of this OPA.

"**Senior Loan Documents**" shall mean, individually and collectively, the Construction Loan Documents and the Permanent Loan Documents.

"**Set Aside Funds**" shall mean and be limited to that portion of the Agency's general property tax increment allocation set aside pursuant to CRL Section 33334.2 for the purposes of increasing, providing and preserving the community's supply of low and moderate income housing available at an affordable housing cost to persons and families of low or moderate income.

"**Site**" shall mean that certain real property located in the City of Inglewood, County of Los Angeles, State of California, commonly known as 527 West Regent Street, Inglewood, California, and legally described in Exhibit No. "1" and depicted on the Site Map attached hereto as Exhibit No. "2".

"**Special Limited Partner**" shall mean the entity, if any, identified as the Adminstrative Limited Partner in the Limited Partnership Agreement as amended upon admission of the Investor Limited Partner.

"**Subordination and Intercreditor Agreement**" shall mean an agreement to be entered into by the City, Agency and the Senior Lender, to be effective upon the Construction Financing Event, subordinating the Residential Loan Documents (not including the Agreement Containing Covenants or the Notice of Affordability Restrictions) to the Senior Loan Documents, and providing for the disbursement of the Residential Loan, in a form that is acceptable to the Agency Executive Director, or his or her designee, in his or her sole discretion.

"**Title Company**" shall mean First American Title Insurance Company, or another title insurance company mutually acceptable to Agency and Participant.

"**Transfer**" shall mean:

(i) the sale, agreement to sell, transfer or conveyance of the Site, the Project, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment sale contract or similar instrument affecting all or a portion of the Site or Project, the lease of all or substantially all of the Site or Project, except as provided in subparagraph (iii) below, or the appointment of a receiver or trustee to operate or exercise direct or indirect control over any portion of or interest in the Project or to operate or exercise direct or indirect control over any interest in any general partner or member of Participant or any general partner or member of a general partner or member of Participant.

(ii) "Transfer" shall also include the transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of any interest in Participant or any general partner or member of Participant or of any general partner or member of a general partner or member of Participant, or any conversion of Participant to an entity form other than that of Participant at the time of execution of this Agreement, except that, a cumulative change in ownership interest of any general partner of the Participant of forty-nine percent (49%) or less shall not be deemed a "Transfer" for purposes of this Agreement.

(iii) Without limiting the foregoing, "Transfers" shall constitute "Permitted Transfers":

(A) a conveyance of a security interest to the beneficiary of the Senior Deed of Trust or the conveyance of title to the Site or Project in connection with a foreclosure, a deed in lieu of foreclosure or similar conversion of such loan;

(B) (1) A conveyance of the Project to a limited partnership in which the administrative general partner is the Participant or Participant's Administrative General Partner, or a sale back from such partnership to Participant or Participant's Administrative General Partner.

(2) The substitution of a General Partner (as defined in Participant's Limited Partnership Agreement) as directed by the Investor Limited Partner in accordance with the terms of the Limited Partnership Agreement, subject to the following terms and conditions. The Investor Limited Partner may substitute the Special Limited Partner (or another reasonably acceptable Affiliate of Investor Limited Partner) (the "**Interim General Partner**") on an interim basis for a period reasonably calculated to identify and admit into the partnership a new General Partner, as set forth below (the "**Substitute General Partner**"). The Substitute General Partner must be an entity reasonably acceptable to the Agency, which approval shall not be unreasonably withheld, conditioned or delayed.

(C) Any refinancing that repays any portion of the Senior Loan (referred to herein as a "**Take-out Loan**"), if the amount and repayment terms of the Take-out Loan do

not materially impair the Participant's ability to repay the Residential Loan and the HOME Loan (if approved by the Inglewood City Council)

(D) The leasing for occupancy of all or any part of the Site or Project in accordance with this OPA and the Agreement Containing Covenants.

(E) The inclusion of equity participation by Participant by transfer or addition of limited partners to the Participant or similar mechanism; provided that such transfer, addition or other mechanism shall not involve any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

(F) The sale, transfer or pledge of any partnership interest in the Participant by a General Partner to the Investor Limited Partner or the Special Limited Partner as security for the performance of all of the General Partner's obligations under the Limited Partnership Agreement.

(G) The sale, transfer or pledge of any partnership interest in the Participant by a General Partner to the beneficiary of the Senior Deed of Trust as security for the performance of all of the General Partner's obligations under the Construction Loan Documents.

(H) The sale, transfer or pledge of any limited partnership interest in the Participant or of any partnership or limited liability company interest in the Investor Limited Partner or the Special Limited Partner; provided that such sale, transfer or pledge shall not be to any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

(I) Any dilution of the General Partner's interest in the Participant in accordance with the Limited Partnership Agreement.

(J) A Transfer in accordance with Section 206(b) of this OPA.

"**UCC1 Financing Statement**" shall mean the financing statement(s) to be filed with the California Secretary of State's Office at the Construction Financing Event in connection with the Agency Loan. The Participant hereby consents to the filing of the UCC1 Financing Statement.

"**Units**" shall mean the one hundred and forty-five (145) dwelling units, including two manager units, comprising the Project.

"**USA Patriot Act**" shall mean th e Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended from time to time.

"**Very Low Income Household**" shall have the meaning given in California Health and Safety Code section 50105(a), generally being a household where income does not exceed 50% of the Area Median Income adjusted for family size.

"**Very Low Income Units**" shall mean the six (6) one-bedroom and sixteen (16) two-bedroom rental dwelling units in the Project restricted to occupancy by Very Low Income Households. The term "Very Low Income Unit" shall mean each of the Very Low Income Units.

ARTICLE II SUBJECT OF THIS AGREEMENT

Section 201 Purpose of Agreement

(a) The purpose of this OPA is to promote affordable housing, subject to all the terms and conditions of this OPA, by providing the Residential Loan in an amount equal to THIRTEEN MILLION NINE HUNDRED FORTY EIGHT THOUSAND DOLLARS ($13,948,000), as evidenced by the Residential Note secured by the Residential Deed of Trust, to assist Participant in the construction and operation of affordable housing on the Site in the City of Inglewood.

(b) This OPA is intended to facilitate Participant's construction of the Project and rental of the Affordable Units to Very Low Income, Low Income and Moderate Income Households for a period of not less than 55 years. The Project pursuant to this OPA and the fulfillment generally of this OPA are in the vital and best interests of the Agency and the City and the health, safety and welfare of the City's residents, and are in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements under which the Project has been undertaken and is being assisted.

Section 202 The Redevelopment Plan

(a) The purpose of this OPA is to implement the Community Redevelopment Law of the State of California (California Health and Safety Code Sections 33000 *et seq.*) (the "**CRL**") and the Amended and Restated Redevelopment Plan ("**Redevelopment Plan**") for the Merged Inglewood Redevelopment Project ("**Project Area**") by increasing, improving and preserving the supply of low and moderate income housing in the community. The Agency intends this OPA to meet its obligations pursuant to Health and Safety Code Sections 33413, 33334.2 and, if applicable, 33413(b)(2)(A)(ii).

(b) This OPA is in furtherance of the provisions of the Amended and Restated Redevelopment Plan, which was approved and adopted on July 30, 1996 pursuant to Ordinance Nos 96-11, 96-12, 96-13, 96-14, 06-15 and 96-16, as lawfully amended thereafter (the **"Redevelopment Plan"**). The Redevelopment Plan is incorporated herein by reference and made a part hereof as though fully set forth herein. The proposed Project is consistent with the Redevelopment Plan.

(c) Any amendments hereafter to the Redevelopment Plan (as so approved and adopted) which change the uses or development permitted on the Site as proposed in this Agreement, or otherwise change the restrictions or controls that apply to the Site, or otherwise affect the Participant's obligations or rights with respect to the Site, shall require the written consent of the Participant. Amendments to the Redevelopment Plan, applying to property in the Merged Inglewood Redevelopment Project Area that is not the subject of this OPA or otherwise not materially affecting the Participant's rights and obligations under this OPA, shall not require the consent of the Participant.

Section 203 The Redevelopment Project Area

The Merged Inglewood Redevelopment Project area ("**Project Area**") is located in the City of Inglewood. The exact boundaries of the Project Area are specifically and legally described in the Redevelopment Plan.

Section 204 The Site

(a) The "Site" consists of that certain real property located at 527 West Regent Street and legally described in Exhibit No. 1 and illustrated on the "Site Map" attached hereto as Exhibit No. 2. Participant is fee owner of the Site. This OPA sets forth the terms and conditions by which the Participant will develop and use the Site.

(b) Not later than the time provided therefore in the Schedule of Performance, Participant shall acquire fee title to the Site pursuant to the Purchase Agreement.

(c) Subsequent to the acquisition of the Site by the Participant, the Participant shall cause the development of the Project on the Site. in accordance with the terms and conditions of this OPA.

Section 205 Parties to the Agreement

(a) The Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California. The principal office of the Agency is located at One Manchester Boulevard, Inglewood, California 90301. "Agency" as used in this OPA includes the Inglewood Redevelopment Agency and any assignee of or successor to its rights, powers and responsibilities as provided in Section 608 of this OPA.

(b) The City

The City is a charter city of the State of California. The principal office of the City is located at One Manchester Boulevard, Inglewood, California 90301. "City" as used in this OPA includes the City of Inglewood and any assignee of or successor to its rights, powers and responsibilities.

(c) The Participant

The Participant is REGENT 145, L.P., a California limited partnership, whose address is 4116 W. Magnolia Boulevard, Suite 203, Burbank, California 91505. The Managing General Partner of the Participant is Foundation for Affordable Housing V, Inc., a California non-profit public benefit corporation, the Administrative General Partner of the Participant is Inglewood Regent Square, LLC, a California limited liability company and the Social Services Partner of the Participant is Faithful Central Bible Church, a California nonprofit public benefit corporation. Wherever the term "Participant" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

Section 206 Prohibition Against Transfers; Right of First Refusal

(a) The qualifications and identity of the Participant are of particular concern to the Agency. It is because of those qualifications and identity that the Agency has entered into this OPA with the Participant. No voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this OPA except as expressly set forth herein.

(b) Participant agrees that, except for a Permitted Transfer, Participant shall not sell the Site during the term of the Agreement Containing Covenants, unless and until Participant has given to the Agency notice in writing of its intent to sell, specifying the identity of the prospective buyer and the price and terms of the contemplated sale (the "Participant's Notice"), and Agency fails to exercise its right to purchase the Site as provided in this Section 206(b). The Agency, in its sole discretion, may exercise its right to purchase the Site by taking the following steps: (i) within thirty (30) days after receipt of Participant's Notice, (the "Notice Period"), give written notice to Participant ("Agency Notice of Intent") that it intends to exercise its right to purchase the Site at the same price and on the same terms and conditions set forth in Participant's Notice; and (ii) within sixty (60) days after delivery of the Agency Notice of Intent, deposit in escrow with any escrow company in Los Angeles County, California, all moneys and instruments required by the terms of the Participant's Notice to be paid or delivered to Participant on close of escrow and shall also give Participant written notice of the deposit,. Upon the exercise of its right to purchase the Site, the Agency shall either (A) pay in full all amounts due and payable to the Senior Lender necessary to release the Site from the lien of the Senior Deed of Trust, or (B) subject to the approval of the Senior Lender, arrange for the assumption of the Senior Loan by the Agency. If the Agency does not exercise the right in accordance with the provisions of this Section, Participant may sell the Site to the prospective buyer for the price and on the terms contained in the Participant's Notice; provided, however, that Participant shall: (1) make every reasonable effort to sell the Site to another affordable housing developer with comparable experience and reputation as that of Participant in the field of low-income housing (including the management of properties with income and affordability restrictions); (2) obtain the advance written approval of the Agency (which approval shall not be unreasonably withheld) of the prospective buyer; and (3) complete and close the subject sale of the Site to the prospective buyer within ninety (90) days following the expiration of the Notice Period (the "Closing Period") in the event the Agency does not timely elect to exercise its purchase right to the Site in accordance with the provisions contained in the Participant's Notice. However, in the event that the closing has not occurred within the Closing Period or the terms of the proposed sale are changed from the terms provided in the Participant's Notice, then the Participant (as applicable) shall either offer to the Agency any subsequent sales proposal to or by a prospective buyer occurring outside the Closing Period, or make the modified proposed offer available to the Agency in accordance with the right of purchase requirements of this paragraph (b).

(c) Notwithstanding any provision to the contrary contained in this OPA, Participant shall not enter into any agreement to sell or transfer ownership of the Site, or any part thereof, that would result in payment of consideration to any person or entity, unless such payment is conditioned upon the issuance of the Release of Construction Covenants.

(d) For the reasons cited above, the Participant represents and agrees for itself and any successor in interest that, except for changes necessitated by a Permitted Transfer, without

the prior written approval of the Agency (not to be unreasonably withheld, conditioned or delayed), there shall be no significant change in the ownership of the Participant or in the relative proportions thereof, or with respect to the identity of the parties in control of the Participant or the degree thereof, by any method or means, except that periodic, routine changes in board membership (not including changes resulting from annual elections or the death or incapacity of an individual) that cumulatively over the course of a calendar year affect less than 50% of the membership of the board shall not be considered a "significant change".

(e) The Participant shall promptly notify the Agency of any and all changes whatsoever in the identity of the parties in ownership and/or in control of the Participant or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Subject to Section 501 herein, this OPA may be terminated by the Agency and the Agency may exercise any and all available remedies if there is any significant change (voluntary or involuntary) in membership, ownership, management or control, of the Participant or any general partner of the Participant (other than such changes occasioned by the death or incapacity of any individual or necessitated by a Permitted Transfer) without the prior written consent of the Agency.

(f) Except with respect to a Permitted Transfer, Participant shall not assign or attempt to assign this OPA or any right herein, nor make any Transfer, without prior written approval of the Agency Executive Director, except as expressly permitted by this Agreement. Any proposed transferee shall have the qualifications and financial responsibility necessary and adequate as may be reasonably determined by the Agency to fulfill the obligations undertaken in this OPA by the Participant. Any such proposed transferee, by instrument in writing satisfactory to the Agency and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the Agency shall expressly assume all of the obligations of the Participant under this OPA and agree to be subject to all conditions and restrictions applicable to the Participant in this Agreement. There shall be submitted to the Agency for review all instruments and other legal documents proposed to affect any such Transfer, and if approved by the Agency, its approval shall be indicated to the Participant in writing.

(g) In the absence of specific written agreement by the Agency, no Transfer, or approval thereof by the Agency, shall be deemed to relieve the Participant or any other party from any obligations under this Agreement.

(h) Consent to any Transfer shall not be deemed to be a waiver of the right to require consent to future or successive Transfers.

(i) Upon expiration of the term of the Agreement Containing Covenants, the provisions of this Section 206 shall be of no further force or effect.

ARTICLE III DEVELOPMENT OF THE PROJECT

Section 301 Agency Assistance

(a) The total estimated cost of the Project is set forth in the Project Budget and Method of Financing. This estimated cost includes the hard and soft costs of constructing the Project. Participant shall use the Residential Loan for approved Project costs and Participant

shall certify such use to the Agency upon Completion, in a form reasonably acceptable to the Agency. Not later than three (3) days after approval and full execution of this OPA, Agency shall deposit the proceeds of the Residential Loan into an escrow account administered and held by the Bond Trustee outside of the trust estate for the Bonds, in accordance with the terms of the Escrow Agreement attached to this OPA as Exhibit No. 17. Not later than the time provided for the occurrence of the Construction Financing Event in the Schedule of Performance, attached to this OPA as Exhibit No. 4, and subject to the satisfaction and occurrence of all conditions precedent set forth in the Method of Financing attached to this OPA as Exhibit No. 3, the Bond Trustee (as Escrow Agent pursuant to the Escrow Agreement) shall be directed to commence to disburse amounts on deposit in the Escrow Fund (as defined in the Escrow Agreement) for payment of Project Costs, in accordance with the terms of the Subordination and Intercreditor Agreement, provided that the Escrow Agent shall not disburse any funds from the Escrow Fund unless and until Escrow Agent receives a written notice from the Senior Lender and Agency that all conditions precedent to the Construction Financing Event have been satisfied.

(b) The Agency agrees that this OPA and the Residential Loan Documents (not including the Agreement Containing Covenants or the Notice of Affordability Restrictions), shall be made junior and subordinate to the Senior Loan Documents given in connection with the Senior Loan, including any refinancing thereof established and obtained pursuant to and in compliance with the provisions of this OPA (as approved by the Agency to the fullest extent required by this Agreement). The Executive Director of the Agency is hereby authorized to execute such subordination agreements as may be reasonably requested by the Senior Lender(s) to evidence subordination to the Senior Loans, without further authorization from the Agency, provided that such agreements contain written provisions as are reasonably designed to protect the Agency's investment in the Project.

(c) Participant acknowledges that the Residential Loan and all Set Aside Funds expenditures are subject to all terms and conditions of the Agency, this OPA, and any other local, state or federal agency with jurisdiction over the source of these funds and that the Project will be developed, constructed, and operated in accordance with the City of Inglewood's standards and regulations and this OPA. It is expressly understood and agreed by the parties that neither this section nor any other provision of this OPA shall limit the amount of costs that may be charged or imposed by the City of Inglewood for the Project or the Project approvals.

(d) Participant acknowledges and agrees that to the extent that the City or Agency have any financial obligations to Participant pursuant to this OPA, such financial obligation is and shall be a special limited obligation, payable solely from the Set Aside Funds, and is not and shall not be a pledge of or obligation payable by or through the City's general fund. Accordingly, nothing in this OPA, or any attachments to this OPA, shall require or be deemed to require the City to expend or commit to expend monies from its general fund to satisfy any of the obligations set forth in this OPA.

(e) Participant further acknowledges and agrees that notwithstanding the fact that City is a party to this OPA, City shall have no obligation to approve the HOME Loan Documents referenced in this OPA and any such failure to approve the HOME Loan by the City shall not constitute a default by the City or the Agency of this OPA.

Section 302 Scope of Development

The Project shall be developed in accordance with and within the limitations established in the Scope of Development, the Approved Plans and permits issued by the City of Inglewood. It is anticipated that Participant will contract for performance of specific activities, including but not limited to activities such as site inspections and management of the Units. Such contracts shall not in any way diminish or waive Participant's obligations under this OPA.

Section 303 Project Construction Drawings and Related Documents

(a) Participant shall prepare and submit construction drawings and related documents, including bid sets, for the development of the Project to the Agency for review (including, but not limited to, architectural review) and written approval at the times established in the Schedule of Performance (the "Plans"). The Plans shall be submitted in two stages, preliminary and final drawings, plans and specifications. Final drawings, plans, and specifications are hereby defined as those in sufficient detail to obtain a building permit. Any items so submitted and approved in writing by the Agency shall not be subject to subsequent disapproval. Agency approval shall not be unreasonably withheld, conditioned or delayed.

(b) Subject to the approval of Agency, Participant shall select and enter into a general contract for the construction of the Project with a general contractor, licensed in the State of California, having experience in multifamily residential construction. Agency hereby consents to Verdugo Company ("General Contractor") as the general contractor for purposes of this paragraph (b). For any work for which the General Contractor has not previously entered into a subcontract for the construction of the Project, Participant shall cause the General Contractor to obtain at least three competitive subcontractor bids. Any such bid set(s) shall include deductive alternates for the Off-Site Improvements including street improvements, street signs and related repairs to adjacent properties which shall be provided by the Agency. Participant shall cause the General Contractor to instruct subcontractor bidders to provide pricing for the Off-Site Improvements and the deductive alternates, independently from the pricing for the balance of the Project. Participant shall also cause the General Contractor to submit the Project subcontractor bids to the Agency and the Agency shall designate which, if any, of the deductive alternates for the Off-Site Improvements shall be included in the construction contract for the Project.

(c) The Participant shall prepare and submit to the Agency for its approval preliminary and final landscaping and preliminary and finish grading Plans for the Site. Those Plans shall be prepared and submitted within the times established in the Schedule of Performance. The landscaping Plans shall include a lighting program which highlights the design of components of the development including but not limited to building facades, architectural detail, landscaping and sculpture. The landscaping Plans shall be prepared by a licensed landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as the Participant's architect. Within the time established in the Schedule of Performance, the Participant shall submit to the Agency for approval the name and qualifications of its architect, landscape architect, and civil engineer.

(d) Progressively detailed Plans shall be approved by the Agency if building elevations, exterior spaces and areas open to public view do not vary and the plans otherwise do not materially vary from previously approved plans, and if they are a logical evolution of previously approved Plans and conform to the provisions of the Scope of Development. In the event of the disapproval by the Agency of any Plans submitted by Participant, the Agency shall promptly communicate in writing to Participant all reasons for such disapproval and all requirements for subsequent approval of revised Plans.

(e) During the preparation of all Plans for the Project, the Agency staff and Participant shall hold regular progress meetings to coordinate the preparation of, submission to, and review of Plans by the Agency. The Agency staff and Participant shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the Agency can receive timely consideration.

(f) If any revisions or corrections of Approved Plans shall be required by a governmental official, agency, department or bureau having jurisdiction over the development of the Site, Participant and the Agency shall cooperate in efforts to obtain waiver of such requirements or to develop a mutually acceptable alternative. Neither the Agency nor Participant shall unreasonably withhold approval of a mutually acceptable alternative.

Section 304 Agency Approval of Project Plans, Drawings and Related Documents

(a) As provided in Section 303, the Agency shall have the right of reasonable review (including, but not limited to, architectural review) of all Plans for the development of the Project, including any proposed changes therein. The Agency shall approve or disapprove such Plans referred to in this OPA (and any proposed changes therein), in writing, within the times established in the Schedule of Performance. Any disapproval shall state, in writing, the reasons for disapproval. Participant, upon receipt of disapproval, shall revise such portions of the Plans in a manner that satisfactorily addresses the reasons for disapproval and resubmit such revised portions to the Agency as soon as possible after receipt of the notice of disapproval. The Agency shall approve or disapprove such revised portions in the same manner and within the same times as provided in this Section 304 for approval or disapproval of Plans initially submitted to the Agency. No matter once approved shall be subsequently disapproved.

(b) Without the prior written consent of Agency, which shall not be unreasonably withheld, conditioned or delayed, Participant shall not permit any material amendments or modifications of Approved Plans. Proposed change orders shall be subject to the procedure set forth in Section 4.2 of the Construction Funding Agreement entered into by Participant in connection with the Senior Loan. Agency shall be given the opportunity to meet and confer with Participant and the Senior Lender regarding any proposed change orders pursuant to said Section 4.2 of the Construction Funding Agreement. Except to the extent Agency reasonably determines in writing that that a proposed change order would result in a significant departure from the requirements of this OPA or the Plans previously approved by Agency hereunder relating to the size and livability of residential units, the exterior appearance of the Improvements or the quality of materials, Agency shall consent to any change order approved under the Construction Funding Agreement.

Section 305 Project Development Costs

(a) Except as otherwise expressly set forth in this OPA and except for the Agency Loan, the cost of developing the Project shall be the responsibility of the Participant, as provided in the Method of Financing. The Project Costs, which include the cost of prevailing wages pursuant to California Labor Code section 1720, are set forth in the Project Budget, which shall be subject to change from time-to-time as provided in the Method of Financing.

(b) Within the time provided in the Schedule of Performance, Participant shall submit its application for Four Percent Tax Credits to the California Tax Credit Allocation Committee and shall concurrently provide a copy of its application to the Agency. Notwithstanding the foregoing, the Agency and Participant agree that if Participant does not receive an allocation of Four Percent Tax Credits on its first application, then Participant shall submit an application in the next application round and the dates in the Schedule of Performance shall be adjusted accordingly.

(c) The Participant has proposed, and the Agency has approved, the Project Budget appended to this OPA. Participant acknowledges that the Agency is relying on Participant's experience and expertise in establishing the costs for the Project and Participant represents that the Project Budget is based on the best, good faith estimate of the Participant of the costs that are likely to be incurred for the Project.

Section 306 Schedule of Performance

(a) Participant and the Agency shall perform all acts respectively required of such party in this OPA within the times provided in the Schedule of Performance.

(b) After the Construction Financing Event, Participant shall promptly begin and thereafter diligently prosecute to completion the development of the Project as provided in the Scope of Development. Participant shall begin and complete all development within the times specified in the Schedule of Performance, subject to Force Majeure and with such reasonable extensions of said times as may be granted by the Agency. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by Participant and the Agency.

(c) During periods of construction, Participant shall submit to the Agency a written report of the progress of construction when and as requested by the Agency, but not more frequently than monthly. The report shall be in the same form and detail as required by the Senior Lender.

Section 307 Local, State, and Federal Laws

(a) Participant hereby agrees to carry out development, construction (as defined by applicable law) and operation of the Project, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, rules and regulations and all applicable federal and state labor laws (including, without limitation, any requirement to pay state prevailing wages, if applicable). Participant hereby expressly acknowledges and agrees that neither City of Inglewood nor the Agency has ever

previously affirmatively represented to the Participant or its contractor(s) for the Project in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. Participant hereby agrees that Participant shall have the obligation, if applicable, to provide any and all disclosures, representations, statements, rebidding, and/or identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees that Participant shall have the obligation to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other applicable provision of law. The Participant hereby agrees that the Participant shall have the obligation, at the Participant's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant shall indemnify, protect, defend and hold harmless the Agency, City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to the Agency and City, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorneys fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Participant of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and/or (5) failure by the Participant to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. It is agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the Project, including, without limitation, any public work (as defined by applicable law), Participant shall bear all risks of payment or non-payment of state prevailing wages and/or the implementation Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and/or any other provision of law. At the request of the Participant, the Agency shall reasonably cooperate with and assist the Participant in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that the Agency shall not be obligated to incur any expense in connection with such cooperation or assistance. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended

from time to time. The foregoing indemnity shall survive termination of this OPA and shall continue after recordation of the Release of Construction Covenants.

(b) Participant shall be responsible for obtaining all Permits and land use approvals required by the City for the development of the Site, ensuring that the use of the Site for the purposes described in this OPA complies with the zoning and other City land use regulations (including any applicable exemptions and/or exceptions) applicable to the Site at the time of Construction Financing Event.

(c) Prior to or concurrently with the Construction Financing Event, Participant shall satisfy all conditions to the issuance of any Permit required for the development of the Site. The Agency shall provide reasonable assistance to Participant in obtaining these permits but shall have no obligation to accelerate the permitting process and shall have no liability to Participant for damages incurred as a result of the Participant's inability to obtain, or delay in obtaining, such Permits. Participant understands and agrees that any Agency approvals shall not constitute or guarantee approvals required from the City or any other governmental agency.

(d) This OPA is not a "Development Agreement" as provided in Section 65864 et seq. of the California Government Code. Participant shall comply with all applicable conditions of approval required by the City of Inglewood.

(e) Participant acknowledges that the City is a Party to this OPA only in its capacity as the assignee of the Agency. Nothing contained in this OPA shall be deemed to limit, restrict, amend or modify, nor constitute a waiver or release of any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted, and/or as amended from time to time) of the City, its departments, commissions, agencies or boards and the officers thereof, including without limitation any redevelopment plan or general plan or any zoning ordinances, or any of the City's duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of the City in furtherance of the public health, welfare and safety of the inhabitants thereof, including, without limitation, the right under law to make and implement independent judgments, decisions and/or acts with respect to planning, development and/or redevelopment matters (including, without limitation, approval or disapproval of plans and/or issuance or withholding of entitlements or building permits) whether or not consistent with the provisions of this OPA, any attachments to this OPA or documents contemplated by this OPA (collectively, the "City Rules and Powers"). In the event of any conflict, inconsistency or contradiction between any terms or provisions of this OPA, any attachments to this OPA or documents contemplated by this OPA, on the one hand, and any such City Rules and Powers, on the other hand, the City Rules and Powers shall prevail and govern in each case. In addition, nothing herein shall require the City or the Redevelopment Agency to reach a particular result in any matter that requires a public hearing or the exercise of future discretion as specified herein. This Section shall be interpreted for the benefit of the City and Agency

(f) Participant further acknowledges and agrees that notwithstanding the fact that City is a party to this OPA, City shall have no obligation to approve the HOME Loan Documents referenced in this OPA and any such failure to approve the HOME Loan by the City shall not constitute a default by the City or the Agency of this OPA,

Section 308 Nondiscrimination During Construction

Participant, for itself and its successors and assigns, agrees that during the construction of the Improvements provided for in the OPA, Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

Section 309 Insurance

Participant shall procure and maintain, during the term of this OPA, at its sole cost and expense, until the date that the Agency waives any such insurance requirement or requirements in writing, the following policies of insurance on a Project specific basis:

(a) Workers' Compensation Insurance. Pursuant to California Labor Code Section 1861, Participant acknowledges awareness of Section 3700 *et seq.* of said code, which requires every employer to be insured against liability for workers' compensation. Participant covenants that it will comply with such laws and provisions prior to commencing any work of construction on the Site. To the extent Participant directly employs personnel at the Project, Participant shall maintain such Workers' Compensation Insurance in an amount not less than the statutory requirements in California for bodily injury and disease and must maintain employer's liability coverage in an amount not less than ONE MILLION DOLLARS ($1,000,000.00). Participant shall require all contractors to provide such Workers' Compensation Insurance for all of the contractors' and subcontractors' employees. Participant shall furnish the Agency with a certificate of waiver of subrogation under the terms of the Workers' Compensation Insurance and Participant shall similarly require all contractors and subcontractors to waive subrogation.

(b) General Liability and Auto Insurance. Participant shall carry general commercial liability insurance, including coverage for bodily injury, property damage, products/completed operations and blanket contractual liability in an amount not less than TWO MILLION DOLLARS ($2,000,000.00) per occurrence and FOUR MILLION DOLLARS ($4,000,000.00) annual aggregate, combined single limit for bodily injury and property damage. All such insurance shall be provided by insurance companies admitted in California, or if not admitted in California, then reasonably acceptable to the Agency. Such insurance shall name the Agency and its officers, agents, and employees acting in their official capacity, as additional insureds. Participant (if any vehicles are owned by Participant) and its employees engaged in work on the Project, if such employees use their personal vehicles in the course of such work, shall carry automobile insurance, including liability coverage for bodily injury and property damage in an amount not less than ONE MILLION DOLLARS ($1,000,000.00) per occurrence. Participant shall require its insurer to waive its subrogation rights against the Agency and shall provide certificates of insurance evidencing same.

(c) Site Insurance. Commencing upon the Construction Financing Event, Participant shall obtain and maintain in force, on a Project specific basis, all-perils (to include fire and vandalism protection) property insurance with extended coverage endorsements thereon, on the Site, in an amount equal to the full replacement costs and/or value thereof; this policy shall contain a replacement cost endorsement naming the Agency as insured and shall not contain a coinsurance penalty provision. The policy shall contain a lender's loss payable endorsement that such proceeds shall be used to repair or rebuild any Units or other improvements situated on the

Site so damaged or destroyed; and, if not so used, such proceeds shall be paid to the Agency. The proceeds of any such insurance payable to the Agency shall be used for rebuilding or repair as necessary to restore the site at the sole discretion of the Agency. The policy shall name the Agency and its officers, agents and employees acting in their official capacity as additional insureds.

(d) Certificate of Insurance; Additional Insured Endorsements. Prior to the Construction Financing Event, Participant shall furnish to the Agency certificates of insurance and additional insured endorsements evidencing the foregoing insurance coverages as required by this OPA. Such certificates and endorsements shall be subject to the reasonable approval of the Agency's legal counsel and shall provide the name and policy number of each carrier and policy and shall state that the policy is currently in force and shall promise to provide that such policies will not be cancelled without thirty (30) days prior written notice to the Agency and the City.

(e) Participant agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Participant agrees to submit binders, endorsements, and certificates evidencing such insurance to Agency. Within thirty days, if practicable, but in any event prior to expiration of any such policy, a binder evidencing renewal or replacement coverage, or copies of renewal policies, endorsements, or certificates evidencing the existence thereof, shall be submitted to Agency. All insurance required of Participant under this OPA for shall be provided by insurers authorized to do business in the State of California and rated A-VI or better.

(f) If Participant fails or refuses to procure or maintain insurance as required by this OPA, the Agency shall have the right, at the Agency's election, and upon ten (10) days prior notice to Participant, to procure and maintain such insurance. The premiums paid by the Agency shall be treated as a loan, due from Participant, to be paid on the first day of the month following the date on which the premiums were paid. The Agency shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

Section 310 Indemnification

(a) Participant and its successors-in-interest shall indemnify, defend and hold harmless the City and the Agency, their elected and appointed officials, officers, employees, agents, contractors and consultants (individually and collectively, the "**Indemnitees**") from and against any and all claims, lawsuits, judgments, liability, injury or damage, including without limitation associated and reasonably incurred attorneys' fees and court and litigation costs arising out of the defense of any such claims and/or lawsuits, and actual attorneys' fees and court and litigation costs that may be awarded by the court and required to be paid by the Indemnitees resulting or arising from or in any way connected to this OPA including but not limited to the following: (i) any Plans or designs for Improvements prepared by or on behalf of Participant, including without limitation any errors or omissions with respect to such Plans or designs (except for claims arising from work performed in reliance on the materials described in Section 305 hereof and that is performed after Participant's transfer to the Agency of such materials); (ii) any loss or damage to Agency resulting from any inaccuracy in or breach of any representation or

warranty of Participant, or resulting from any breach or default by Participant under this Agreement; and (iii) the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur on the Site and which shall be directly or indirectly caused by the acts of, or any errors or omissions of, the Participant or its officers, shareholders, directors, members, agents, servants, employees, contractors, or invitees. Participant shall not be responsible for any liability, loss, damage, cost, or expense (including reasonable attorney's fees and court costs) arising from or as a result of the gross negligence or willful misconduct of the Indemnitees.

(b) The City and/or Agency shall have the right to reasonably approve legal counsel to represent the City's and/or Agency's legal interests in the defense of any such lawsuits, claims or other actions filed against the City and/or Agency. City and Agency shall hire joint outside legal counsel, except to the extent separate counsel is necessary, such as where there may be a potential conflict of interest between them.

(c) This Section 310 is not intended to expand, negate, nullify or modify the limited recourse of the Agency or the City against the Participant provided in Section 511 of this OPA.

Section 311 Developer's Relocation Obligations

Developer shall comply with the requirements of all applicable relocation laws, including, but not limited to, the Uniform Relocation Act and the California Relocation Assistance Act, and shall comply with related tenant notice requirements and shall provide the Agency with true and correct copies of such notices to tenants. Developer shall also retain all required records and the originals and/or copies of tenant notices in its files as mandated by applicable law. To the extent applicable, Developer shall contract with a relocation consultant to prepare a relocation plan for the Agency's approval and to implement the approved relocation plan, but performance by a relocation consultant shall not in any way diminish or waive Developer's relocation obligations under this OPA, if any. Except as otherwise expressly set forth in the Method of Financing, the cost of complying with all applicable relocation requirements for the Project, including the cost of a relocation consultant, shall be the responsibility of the Developer.

Section 312 Disclaimer of Responsibility by the Agency

Except as otherwise expressly provided in this OPA, neither the Agency or the City undertakes nor assumes or will have any responsibility, right or duty to Participant or to any third party to review, inspect, supervise, pass judgment upon or inform Participant or any third party of any matter in connection with the Site, whether with respect to the quality, adequacy or suitability of the Plans, any labor, service, equipment or material furnished to the Project, any person furnishing the same or otherwise. Participant and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to Participant or to any third party by the Agency in connection with such matter is for the public purpose of providing affordable housing, and neither Participant (except for the purposes set forth in this OPA) nor any third party is entitled to rely thereon.

Section 313 Rights of Access

Representatives of the Agency and the City shall have the reasonable right of access to the Site, upon at least three (3) days' prior written notice, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Improvements. Such representatives of the Agency or the City shall be those who are so identified in writing by the Executive Director of the Agency (or his designee).

Section 314 Taxes, Assessments, Encumbrances and Liens

Subject to Participant's right to claim any exemption to which it may be entitled under State law, Participant shall be responsible for paying when due all real estate taxes and assessments, if any, assessed and levied on or against the Site or any portion thereof or interest therein. Agency and City acknowledge and do not object to Participant seeking, obtaining and utilizing exemptions from property taxes to the extent provided by State law. Participant shall not place, or allow to be placed, on the Site or any portion thereof or interest therein, any mortgage, trust deed, encumbrance (excluding easements not unreasonably interfering with the use of the Site, including standard course of construction easements) or lien (excluding mechanic's liens paid prior to foreclosure or liens for current year property taxes not paid) except the Permitted Transfers. Participant shall remove, or shall have removed, any levy or attachment made on the Site (or any portion thereof or interest therein), or shall assure the satisfaction thereof within a reasonable time but in any event prior to foreclosure. Nothing herein contained shall be deemed to prohibit Participant from contesting the validity or amount of any tax, assessment, encumbrance or lien, nor to limit the remedies available to Participant in respect thereto. The covenants of Participant set forth in this Section 314 relating to the placement of any unauthorized mortgage, trust deed, encumbrance or lien, shall remain in effect until issuance of the Release of Construction Covenants.

Section 315 Security Financing; Right of Holders

(a) Permitted Encumbrances. Participant shall be permitted to enter into mortgages, deeds of trust or other form of conveyance in which the Site is used as security for the purpose of securing the Senior Loans and any other loans of funds to be used for the implementation of the Project provided such conveyance (i) is for the purposes permitted herein and (ii) is given to a financial or lending institution or other acceptable person or entity capable of performing or causing to be performed Participant's obligations under this Agreement, including without limitation a pension fund, insurance company, or real estate investment trust. Any and all such loan amounts and security conveyances shall be subject to the prior approval of the Agency's Executive Director, which approval shall not be unreasonably withheld or delayed.

(b) Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the Agency shall deliver any notice or demand to Participant with respect to any breach by Participant in performance of this OPA, it will at the same time deliver a copy of such notice or demand to each approved holder of record of any mortgage, deed of

trust, or other security interest which has previously requested such notice in writing. Each such holder shall (insofar as the rights of the Agency are concerned) have the right, at its option within ninety (90) days after the receipt of the notice, to commence and thereafter to diligently proceed to cure or remedy such default and add the cost thereof to the security interest debt and the lien on its security interest. Any holder completing the development of the Site in accordance with this OPA shall be entitled to a Release of Construction Covenants upon written request made to the Agency.

Section 316 Rights to Plans

(a) Subject to the rights of, and senior assignments to, the beneficiaries of the Senior Deed of Trust (the "Senior Beneficiaries"), all work product prepared pursuant to this OPA (other than internal financial projections and analysis and materials qualifying as attorney work product), including (but not limited to), all Plans, construction documents, soils tests and similar reports, Permits and other entitlements are hereby assigned to the Agency as security for Participant's obligations hereunder. In the event that this OPA is terminated by the Agency due to a default by Participant which is not timely cured, Participant shall, within ten (10) days of such termination, transmit all such work product to the Agency, without representation or warranty.

(b) To effectuate the assignment described in paragraph (a), concurrently with executing this OPA, Participant shall execute and deliver to the Agency an Assignment of Agreements (the "**Assignment**"), substantially in the form attached to this OPA as Exhibit No. "11", granting to the Agency all of Participant's rights to: (1) the Plans prepared pursuant to this OPA; (2) the contracts between Participant and its architect and between Participant and its general contractor; (3) all Permits relating to the Project; and all similar rights and property interests.

Section 317 Hazardous Materials

Upon the Effective Date of this OPA, Participant, shall indemnify, defend, and hold harmless the Agency and its officers, employees, agents and representatives (collectively, the "**Indemnified Parties**") from and against any and all liabilities (including penalties, fines and monetary sanctions) arising from a violation of state or federal law pertaining to (i) the storage of Hazardous Materials on the Site or (ii) contamination of the Site by a release of Hazardous Materials. The preceding shall not prohibit the legal use of Hazardous Materials normally used in the construction, operation, occupancy or maintenance of properties similar to the Project, provided the amount of such Hazardous Materials does not exceed the quantity necessary for the normal construction, operation, occupancy and maintenance of the Project in the ordinary course of business and the use, storage and disposal of such Hazardous Materials strictly complies with all applicable environmental laws. On or before the Effective Date of the OPA Participant, , shall provide to the Agency a copy of any notices, orders, or reports concerning the presence of any Hazardous Materials on or affecting the Site that is in Participant's possession. As a condition precedent to the Construction Financing Event, Participant shall execute and deliver to the Agency an Environmental Indemnity, substantially in the form of Exhibit No. "12" to this OPA.

Section 318 Release of Construction Covenants

(a) Promptly after Completion of the development of the Site, as generally and specifically required by this OPA and in particular the Scope of Development and the Approved Plans, the Agency shall furnish Participant with a Release of Construction Covenants in the form of Exhibit No. "15" to this OPA upon the written request by Participant. The Agency shall not unreasonably withhold, condition or delay such Release of Construction Covenants and shall issue such Release of Construction Covenants so long as Participant has developed the Site in accordance with this OPA and the Approved Plans. In this regard, "developed the Site in accordance with the Approved Plans" shall be evidenced by an architect's certificate issued by the Agency–approved architect engaged by Participant to prepare the Plans. Such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of all of the construction required by this OPA.

(b) The Release of Construction Covenants shall be in such form as to permit it to be recorded in the Official Records of Los Angeles County. A Release of Construction Covenants for development of less than the entire Site shall not be recorded.

(c) If the Agency refuses or fails to furnish a Release of Construction Covenants for the Site after written request from Participant, the Agency shall, within thirty (30) days of the written request, provide Participant with a written statement of the reasons the Agency refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the Agency's opinion of the action Participant must take to obtain a Release of Construction Covenants. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, and/or minor items, the Agency will issue its Release of Construction Covenants upon the posting of a bond by Participant with the Agency in an amount representing the fair value of the work not yet completed.

(d) Such Release of Construction Covenants shall not constitute evidence of compliance with, or satisfaction of any obligation of Participant to the beneficiary of, the Senior Deed of Trust. Such Release of Construction Covenants is not a notice of completion as referred to in Section 3093 of the California Civil Code.

ARTICLE IV USE OF THE PROPERTY

Section 401 Uses

(a) Participant covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof or any interest therein) that during the Restricted Period, Participant, its successors and assigns shall use the Site exclusively to provide rental housing, including affordable housing for Very Low Income, Low Income and Moderate Income Households as set forth in this OPA. Participant further covenants and agrees, for itself, its successors, its assigns, and every successor in interest to the Site, or any part thereof, that during the Restricted Period, Participant and such successors shall not use the Site in a manner that is inconsistent with the applicable zoning restrictions, this OPA and the Agreement Containing Covenants.

(b) No part of the Project will at any time during the Restricted Period be owned by a cooperative housing corporation or be converted to condominium ownership nor shall Participant take any steps in connection with a conversion to such ownership or uses.

(c) For the term of the Agreement Containing Covenants, Participant shall provide or cause to be provided on-site social services for the occupants of the Project. The provider of such social services shall be subject to the prior written approval of the Agency, which shall not be unreasonably withheld, conditioned or delayed. Agency hereby consents to Faithful Central Bible Church as the initial provider of social services for the occupants of the Project.

Section 402 Management Plan; Annual Project Budget; Quarterly Reports

(a) For the term of the Agreement Containing Covenants, Participant shall operate and manage the Project in accordance with all applicable federal, state and local laws and rules, in conformance with the best practices for operators of comparable public agency-assisted affordable housing in Los Angeles County, and the management requirements of this Agreement. Prior to the Construction Financing Event, Participant shall submit to the Agency a Management Plan reasonably acceptable to the Agency, describing the proposed plans for managing and operating the Site, which shall include the Maintenance Program described in Section 403 below. The Management Plan shall also include a description of the proposed social services to be provided to the tenants, including any proposed after school programs, in conformity with the requirements set forth in Section 4.4(a)(6) of the Agreement Containing Covenants. Approval of the Management Plan by the Agency shall not be unreasonably withheld, conditioned or delayed and shall be a condition precedent to the Construction Financing Event. Participant shall manage and operate the Site in accordance with the approved Management Plan, including such amendments as may be approved in writing from time to time by the Participant and the Agency, for the entire Restricted Period.

(b) In addition, the Participant shall submit to the Agency on or before the first day of each fiscal year of the Restricted Period an estimated annual budget for management of the Site (the "Annual Project Budget") in accordance with the Management Plan. The Annual Project Budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amounts required for insurance and all other expenses incident to the operation of the Project; and shall show the expected revenues to pay such expenses, including annual debt service requirements and reserve fund deposits and balances. The Annual Project Budget, including any amendments proposed by the Participant, shall be subject to the written approval of the Agency which shall not be unreasonably withheld, conditioned or delayed. The Agency shall have thirty (30) days after receipt to approve or disapprove the Annual Project Budget. If the Agency fails to approve or disapprove the Annual Project Budget within such thirty (30) days, Participant shall have the right to continue to operate the Project in accordance with the most recently approved Annual Project Budget, adjusted only to the extent of changes in the consumer price index for the Los Angeles area. If the Agency disapproves the Annual Project Budget, Agency shall give written notice to Participant, including a reasonably detailed explanation for disapproval. Upon receipt of such notice, Participant shall promptly revise the Annual Project Budget to address the reasons for disapproval, and until Agency approval of the revised Annual Project Budget,

Participant shall continue to operate the Project in accordance with the most recently approved Annual Project Budget with such changes as specifically approved by the Agency. Notwithstanding the foregoing, if, after Agency approval, any Senior Lender has approved the Annual Project Budget, the Agency shall not have the right to request modifications, unless a material error has occurred in the Annual Project Budget.

(c) Beginning on the date of first occupancy, and for each fiscal year thereafter of the Restricted Period, Participant shall also submit to the Agency on a quarterly basis a report for the management of the Site (the "Quarterly Report"). The Quarterly Report shall include a profit and loss statement, budget to date figures, and occupancy report and shall clearly show project revenues, operating expenses, deposits to and withdrawals from the Project's Capital Reserve Accounts. The Quarterly Report shall be in a form that is reasonably acceptable to the Agency. The Agency in its sole discretion may waive the requirement of the Quarterly Report for one or more quarterly reporting periods. However, such waiver shall not operate to waive any subsequent requirement of the Quarterly Report during the Restricted Period. After receipt of such certified financial statements for the Project, the Agency may request additional financial analyses or obtain a third party review at the Agency's own expense, of financial statements for the Project to verify the accuracy of the payments by Participant on the Residential Note or the required deposits into the Capital Reserve Accounts. If the Agency's review of Participant's Quarterly Report reveals material errors in the calculation of the payments by Participant on the Residential Note or reveals that the required deposits into the Capital Reserve Accounts have not been made, then Participant shall reimburse the Agency for its cost of conducting the financial analyses or obtaining a third party review.

(d) Participant shall be responsible for operating and managing the Project either by direct management or by contracting its managerial functions to a third party property manager or agency (the "Property Manager") which shall be charged with managing the Project on behalf of the Participant. The Agency shall have the right, but not the obligation, to review and approve or disapprove, the name and qualifications of the Property Manager. The Agency shall have no responsibility for the management of the Project. Agency hereby approves Pacific West Management as the initial Property Manager.

Section 403 Maintenance of the Site

(a) Prior to the Construction Financing Event, the Participant shall prepare and submit to the Agency for review and approval a program (the "**Maintenance Program**") for the exterior and interior maintenance of the Site and the Improvements. The Agency and the City shall have the right at all reasonable times and, except in the event of an emergency, upon at least three (3) days prior written notice, to enter and inspect the Site, during normal business hours, in order to ensure compliance with the foregoing requirements.

(b) The Maintenance Program shall describe in reasonable detail the standards to be followed in maintaining the interior and exterior of the Improvements, including a schedule indicating the proposed frequency of each element of maintenance, and shall include, at a minimum, the following: periodic cleaning of the interior and exterior of the Improvements, including windows; removing graffiti; removing debris and waste materials and otherwise

maintaining indoor and outdoor areas of the Site; maintaining any lawns, plants, shrubs and trees or other landscaping planted on the Site; performing inspections of all exterior features to determine whether repairs are required; conducting periodic protective treatments such as rust removal and caulking; conducting repairs to facades, roof, doors, windows and other exterior features; maintaining fencing and other security devices and systems; periodic repainting of the exterior; periodic repainting of the interior units and common areas; periodic replacing of the interior unit carpets; checking building systems, including, but not limited to the heating and cooling systems, smoke alarms and water heaters; checking interior unit appliances; and monitoring interior unit bathrooms for mold/mildew. The Maintenance Program, including any amendments proposed by the Participant, shall be subject to the reasonable approval of the Agency.

(c) At all times during the Restricted Period, the Participant shall maintain the Site and the Improvements in accordance with the approved Maintenance Program and in compliance with applicable state and local laws and codes. To implement this requirement, Participant agrees to budget sufficient funds to pay for all reasonably anticipated costs (as indicated in the Annual Maintenance Budget). In the event Participant fails to maintain the Site as required by this Section, Participant shall, within thirty (30) days after the Agency's notification or Participant's own discovery of any deficiency, take all necessary steps to correct such deficiency, provided that, if such deficiency is not reasonably capable of being cured within thirty (30) days, Participant shall commence to cure said deficiency within thirty (30) days and diligently and in good faith continue to take all necessary steps to correct such deficiency. The Agency shall deliver a copy of any notice pursuant to the preceding sentence to each approved holder of record of any mortgage, deed of trust or other security interest which has previously requested such notice in writing at the same time as the Agency delivers any such notice to Participant. In the event the Participant fails to cure said deficiency within the time allowed, the Agency shall have the right, but not the obligation, to enter the Site, correct any violation, and hold the Participant responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Site, which shall at all time be junior to the lien of the Senior Lender.

Section 404 Lead-Based Paint.

Participant shall ensure that it and its contractors and subcontractors shall not use lead-based paint in the development or maintenance of the Project. Participant shall insert this provision in all contracts and subcontracts for work performed on the Project which involves the application of paint.

Section 405 Barriers to the Disabled

Participant shall ensure that the Project will be developed and operated to comply with all federal, state, and local requirements for access for disabled persons that apply to newly constructed multi-family rental units.

Section 406 Creation of Capital Reserve Accounts

Concurrently with or prior to the Permanent Financing Event, Participant shall create "Capital Reserve Account" for the Affordable Units and ancillary residential space in the initial amount shown on the Project Budget. The Capital Reserve Account is inclusive and not in addition to any similar reserve fund required by the Senior Lender, Investor Limited Partner, or the California Tax Credit Allocation Committee. No later than thirty (30) days after the Capital Reserve Account has been created, Participant shall provide to the Agency a pro forma statement concerning the account, for review and approval. At any time thereafter during the term of this OPA, the Agency, on ten (10) days prior written notice to Participant, may request that Participant submit to it an updated, revised Capital Reserve Account statement. The Agency, at its own expense, may audit any updated, revised Capital Reserve Account statements submitted to it by Participant, provided that, if the audit reveals that the required deposits into the Capital Reserve Account have not been made, then Participant shall reimburse the Agency for its cost of conducting the audit.

Section 407 Deposits Into Capital Reserve Account

Beginning not later than the Permanent Financing Event and every succeeding year during the Restricted Period, Participant shall deposit the amounts set forth in the definition of Residential Operating Expenses in the Residential Note for repairs or replacements to the Site Improvements. The Capital Reserve Account shall only be used to fund the cost of repairs and improvements to the Site and to maintain the Site in compliance with the requirements of Section 403. Participant shall be entitled to a credit against its obligations pursuant to this Section 407 to the extent that Participant establishes and funds a deposit for similar purposes under the Senior Loan Documents. Participant shall exhaust funds in the Capital Reserve Account prior to utilizing operating revenues to pay for capitalizable repairs and improvements to the Site that are not typically paid for from operating income. Interest earned on the Capital Reserve Accounts shall remain in said account and be used as Capital Reserves.

Section 408 Obligation to Refrain from Discrimination

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, age, class, income (other than as required by applicable regulatory agreements), religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any part thereof, or in the Participant's employment practices, or in the awarding of contracts for the Project, nor shall Participant, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site, or any part thereof, in employment practices, or in the awarding of contracts for the Project. Participant shall comply with all applicable federal, state and local nondiscrimination, fair housing, and equal opportunity requirements.

Section 409 Form of Nondiscrimination and Nonsegregation Clauses

The Participant shall refrain from restricting the rental, sale or lease of the Site or the Units on the basis of race, color, creed, age, class, income (other than as required by applicable regulatory agreements), religion, sex, sexual orientation, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clause:

(a) In Deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) In Leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions. That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) In Contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

Section 410 Effect and Duration of Covenants

The covenants established in this OPA shall, without regard to technical classification and designation, be binding on Participant and any successor in interest to the Site or any part thereof or interest therein for the benefit and in favor of the Agency, its successors and assigns. Every covenant and condition and restriction contained in the Agreement Containing Covenants shall remain in effect commencing upon the recordation of the Agreement Containing Covenants and throughout the Restricted Period (regardless of whether the Agency Loan has been repaid prior to the end of the Restricted Period), except that the covenants against discrimination set forth in the Agreement Containing Covenants and in Section 408 and Section 409 hereof shall remain in effect in perpetuity.

Section 411 Effect of Violation of Covenants

The Agency is the intended beneficiary of the terms and provisions of this OPA and the covenants herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this OPA and the covenants running with the land have been provided. The Agency shall have the right if the covenants contained in this OPA are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this OPA and covenants are entitled.

Section 412 Monitoring

(a) The parties acknowledge that this OPA is subject to the provisions of Section 33418(a) of the California Health and Safety Code, which provides in pertinent part:

"An Agency shall monitor, on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an agency shall require owners or managers of the housing to submit an annual report to the agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants. The income information required by this section shall be supplied by the tenant in a certified statement of a form provided by the agency."

(b) Participant shall submit to the Agency on an annual basis the report required by said Section 33418. The annual report shall include for each Very Low Income Unit, each Low Income Unit and each Moderate Income Unit, the rental rate and the income and family size of the occupants. The income information shall be supplied by the tenant in a certified statement on a form provided by the Agency. Participant shall provide for the submission of such information in its lease or occupancy agreement with tenants.

(c) Health and Safety Code Section 33418(b) requires the Agency to adequately fund its compliance monitoring activities and authorizes the Agency to impose fees upon the owners of properties monitored pursuant to Section 33418 to defray the cost of complying with the Agency's monitoring and reporting obligations. Therefore, Participant agrees that, commencing

upon the Completion of the Project, Participant will pay to the Agency an annual monitoring fee in the amount set forth in the definition of "Annual Residential Operating Expenses" in the Residential Note.

ARTICLE V DEFAULTS, REMEDIES AND TERMINATION

Section 501 Defaults; Notice of Cure; Cure Rights

(a) Subject to Force Majeure Delay, as such term is defined in this OPA, failure or delay by either party to perform any term or provision of this OPA constitutes a default under this OPA. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

(b) The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this OPA, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

(c) If a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of ten (10) days after such notice is given within which to cure the default prior to exercise of remedies by the injured party.

(d) If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and the party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party. In no event shall the injured party be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given. '

(e) The Agency shall give Participant and, as provided in paragraph (f), below, the Investor Limited Partner, notice thereof, whereupon the Investor Limited Partner may remove and replace the General Partner with a substitute general partner, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The Agency agrees to accept cures tendered by the Investor Limited Partner within the cure periods provided in this OPA or within the time periods provided in Civil Code Section 2924c, whichever is longer.

Additionally, in the event the Investor Limited Partner is precluded from curing a non-monetary default due to an inability to remove the General Partner as a result of a bankruptcy, injunction, or similar proceeding by or against Participant or its General Partner, the Agency agrees to forbear from completing a foreclosure (judicial or nonjudicial) during the period during which the Investor Limited Partner is so precluded from acting, not to exceed 90 days, provided such limited partner is otherwise in compliance with the foregoing provisions. In no event shall the Agency be precluded from exercising its remedies if its security becomes or is about to become materially impaired by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given.

(f) After Participant gives written notice to the Agency that the Investor Limited Partner has been admitted to the Limited Partnership, the Agency shall send to the Investor Limited Partner a copy of all notices of default and all other notices that the Agency sends to Participant, at the address for the Investor Limited Partner given in Section 602 of this Agreement.

(g) Any notice of default shall be deemed given only if either (i) dispatched by first class mail, registered or certified, postage prepaid, return receipt requested, to the addresses specified for the Participant and the Investor Limited Partner in Section 602 of this Agreement, or (ii) by personal delivery (including by means of professional messenger or courier service such as United Parcel Service or Federal Express) to the addresses specified for the Participant and the Investor Limited Partner in Section 602 of this Agreement. Receipt shall be deemed to have occurred on the date marked on a written postal service or messenger or courier service receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable). If either party gives notice of a change of address in the manner specified in this paragraph, all notices, demands and communications originated after receipt of the change of address (or the effective date specified in the notice of change of address, if later) shall be transmitted, delivered or sent to the new address.

Section 502 Institution of Legal Actions

Subject to the notice and cure provisions of Section 501 and the limited recourse provisions of Section 5101, in addition to any other rights or remedies, either party may institute legal action 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 OPA. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the United States District Court for the Central District of California.

Section 503 Applicable Law

The internal laws of the State of California, without regard to principles of conflicts of laws, shall govern the interpretation and enforcement of this OPA.

Section 504 Acceptance of Service of Process

(a) In the event that any legal action is commenced by the Agency against the Participant, service of process on the Participant shall be made by personal service upon the Participant's Managing General Partner and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

(b) In the event that any legal action is commenced by the Participant against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director of the Agency or the Agency Secretary or in such other manner as may be provided by law.

Section 505 Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this OPA, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 506 Specific Performance

If either party defaults with regard to any of the provisions of this OPA, subject to the notice and cure provisions of Section 501, the non-defaulting party, at its option, may, after such notice and opportunity to cure (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this OPA pertaining to such default, but only so long as such default is susceptible to being cured or remedied with specific performance under the then-prevailing principles of law and equity.

Section 507 Termination by Agency

In addition to the other rights and remedies set forth in this Agreement, in the event of any of the following:

1. The Participant fails to obtain its Four Percent Tax Credit allocation within the time specified in the Schedule of Performance (as such time may be extended pursuant to the terms of this OPA).

2. The Participant shall fail to submit to the Agency any submission of evidence of financing commitments for the Project required by the Method of Financing, within the time established therefor in the Schedule of Performance (as such time may be extended pursuant to the terms of this OPA); or

3. The Participant (or any successor in interest) assigns or attempts to assign this OPA or any right herein, or in the Site or any portion thereof in violation of this Agreement other than in connection with a Permitted Transfer; or

4. There is substantial change in the ownership of the Participant, or with respect to the identity of the parties in control of the Participant, or the degree thereof contrary to the provisions of Section 206 hereof other than in connection with a Permitted Transfer,; or

5. The Participant shall fail to satisfy the conditions precedent to the Construction Financing Event within the time established therefor in the Schedule of Performance (as such time may be extended pursuant to the terms of this Agreement), which conditions include, among other things, obtaining all approvals required for all of the sources of construction financing set forth in Section 2 of the Method of Financing attached to this Agreement as Exhibit No. 3, which shall include the Limited Partner Capital Contributions, the Construction Loan derived from the issuance of the Bonds, the HOME Loan, the Residential Loan and Participant Equity; or

6. The Participant does not deliver to the Agency any submission of Plans, drawings, and related documents as required by this OPA by the date respectively provided in this Agreement, if such failure is not cured within ten (10) days of Participant's receipt of notice from the Agency,

then this OPA and any rights of the Participant, or any assignee or transferee, in this OPA shall, at the option of the Agency, be terminated by written notice to the Participant. Upon any termination of this OPA prior to the Construction Financing Event, the Bond trustee shall be directed to release from escrow and return to the Agency the full amount of the corpus of the Residential Loan plus any interest earned thereon.

Section 508 Termination by Participant

In addition to the other rights and remedies set forth in this OPA if the Agency, despite being in a position to do so, fails to perform any of its obligations under this OPA by the date provided in this OPA and such default is not cured within thirty (30) days after the date of written demand by the Participant, then this OPA shall, at the option of the Participant, be terminated by written notice thereof to the Agency. Upon any termination of this OPA prior to the Construction Financing Event, the Bond trustee shall be directed to release from escrow and return to the Agency the full amount of the corpus of the Residential Loan plus any interest earned thereon.

Section 509 Termination by Either Party

Prior to the Construction Financing Event, either party shall have the right to terminate this OPA in the event the other party is in default of any material term or provision of this OPA, and, following notice, fails to cure such default within the time provided in Section 501. Upon any termination of this OPA prior to the Construction Financing Event, the Bond trustee shall be directed to release from escrow and return to the Agency the full amount of the corpus of the Residential Loan plus any interest earned thereon.

Section 510 [Intentionally omitted]

Section 511 Limited Recourse Obligations

(a) Each obligation of the Participant under this OPA is a nonrecourse obligation of the Participant and Participant's partners. Except as provided otherwise in this Agreement, neither the Participant nor any of its general or limited partners, nor any other party, shall have any personal liability for payment of obligations to the Agency. The sole recourse of the Agency shall be the exercise of its rights against the Site and the Project and any related security for the Agency Loan.

(b) Notwithstanding the foregoing, Agency may obtain a judgment or order (including, without limitation, an injunction) requiring Participant or any other party to perform (or refrain from) specified acts other than repayment of the Agency Loan; may proceed against any person or entity whatsoever with respect to the enforcement of any performance or completion guarantees or similar rights to performance; and may recover directly from Participant or any other party:

1. any damages, costs and expenses incurred by Agency as a result of fraud or any criminal act or acts of Participant or any partner, shareholder, officer, director or employee (acting within the scope of his or her employment) of Participant or of any of Participant's general partners;

2. any damages, costs and expenses incurred by Agency as a result of any misappropriation of funds provided for the development of the Project, as described in this Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds;

3. any and all amounts owing by Participant pursuant to Participant's indemnification regarding Hazardous Substances; and

4. all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

Section 512 Litigation Costs.

If litigation arises out of this OPA for the performance thereof, then the court shall award costs and expenses, including attorney's fees, to the prevailing party. In awarding attorney's fees, the court shall not be bound by any court fee schedule but shall award the full amount of costs, expenses and attorney's fees paid or incurred in good faith.

ARTICLE VI GENERAL PROVISIONS

Section 601 Participant's Representations and Warranties.

Participant represents and warrants (1) that it has access to professional advice and support to the extent necessary to enable Participant to fully comply with the terms of this OPA;

(2) that it and its partners are duly organized, validly existing and in good standing under the laws of the State of California; (3) that it has the full power and authority to undertake the Project and to execute this OPA; (4) that the persons executing and delivering this OPA are authorized to execute and deliver such documents on behalf of Participant; (5) except as disclosed to the Agency in writing, there are no actions or proceedings pending or, to the best of the Participant's knowledge, threatened against the Participant or Participant's members before any court or administrative agency in any way connected with the Site or the Project which could adversely affect the Participant's ability to perform the activities contemplated hereunder; (6) neither this OPA nor anything provided to be done hereunder violates or shall violate any contract, agreement or instrument to which the Participant or a member of Participant is a party or which affects the Project or any part thereof; (7) the Participant is not in default in respect of any of its obligations or liabilities pertaining to this OPA, nor is there any state of facts or circumstances or conditions or events which, after notice, lapse of time, or both, would constitute or result in any such default under this OPA; and (8) neither the Participant nor its members has entered into any agreements which will adversely affect the title to the Project or the Participant's right to develop and use the Project as provided in this OPA, and neither the Participant nor its members will enter into any such agreements after the date hereof.

Section 602 Notices, Demands and Communications between the Parties

Formal notices, demands, and communications between the Parties shall be sufficiently given if: (i) personally delivered; (ii) delivered by same day or overnight courier (acknowledged by receipt showing date and time of delivery); or (iii) dispatched by registered or certified mail, postage prepaid, return receipt requested, to the addresses set forth below:

If to Participant:

Regent 145, L.P.
c/o Chandler Partners
4116 W. Magnolia Boulevard, Suite 203
Burbank, California 91505
Attn: Dan Chandler

And

Foundation for Affordable Housing V, Inc.
30950 Rancho Viejo Road, Suite 100
San Juan Capistrano, California 92675
Attn: Deborrah A. Willard, President

And

Alliant Capital, Ltd.
340 Royal Poinciana Way, Suite 305
Palm Beach, Florida 33480
Attn: Brian Goldberg

	And
	Alliant Asset Management Company LLC 21600 Oxnard Street, Suite 1200 Woodland Hills, California 91367 Attn: Tony Palaigos, Esq.
With a copy to (which shall not constitute notice to Participant):	Chernove & Associates, Inc. 16027 Ventura Boulevard, Suite 660 Encino, California 91436 Attn: Sheldon Chernove, Esq.
If to Agency:	Inglewood Redevelopment Agency One Manchester Boulevard Inglewood, CA 90301 Attn: Executive Director
With a copy to:	City Attorney's Office/Agency General Counsel City of Inglewood One Manchester Boulevard Inglewood, CA 90301 Attn: Cal P. Saunders, Esq.
And a copy to: (which shall not constitute notice to the Agency)	Kane, Ballmer & Berkman/Agency Special Counsel 515 S. Figueroa St., Suite 1850 Los Angeles, California 90071 Attn: Royce K. Jones, Esq.
If to City:	City of Inglewood One Manchester Boulevard Inglewood, CA 90301 Attn: City Administrator
With a copy to:	City Attorney's Office City of Inglewood One Manchester Boulevard Inglewood, CA 90301 Attn: Cal P. Saunders, Esq.

And a copy to: (which shall not constitute notice to the City)	Kane, Ballmer & Berkman/City Special Counsel 515 S. Figueroa St., Suite 1850 Los Angeles, California 90071 Attn: Royce K. Jones, Esq.

Notices personally delivered or delivered by courier shall be effective upon receipt or refusal to accept delivery. Mailed notices shall be effective on the earlier of (i) receipt of refusal to accept delivery, or (ii) noon on the second business day following deposit in the United States mail.

Section 603 Conflicts of Interest

(a) No member, official or employee of the Agency or the City shall have any personal interest, direct or indirect, in this OPA nor shall any such member, official or employee participate in any decision relating to this OPA which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

(b) The Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this OPA.

Section 604 Nonliability of Agency and City Officials and Employees

No member, official, employee or consultant of the Agency or the City shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or the City or for any amount that may become due to the Participant or to its successor, or on any obligations under the terms of this OPA.

Section 605 Extension of Times of Performance

(a) In addition to the specific provisions of this OPA, performance by any party hereunder shall not be deemed to be in default during a Force Majeure Event. An extension of time for a Force Majeure Event shall be limited to the period of such event, and shall commence to run from the time of the commencement of the cause, provided notice by the party claiming such extension is sent to the other party within ten (10) business days of the commencement of the cause. In the event of such delay, the party delayed shall continue to exercise reasonable diligence to minimize the period of delay.

(b) Times of performance under this OPA may also be extended by mutual written agreement by the Agency and Participant. Neither the Agency nor the Participant shall unreasonably withhold, condition or delay approval of a reasonable request for an extension of time by the requesting party.

Section 606 Inspection of Books and Records

The Participant shall maintain at a location in Los Angeles County complete, accurate, and current records pertaining to the Site and the Project for a period of five (5) years after the

creation of such records, and shall permit any duly authorized representative of the Agency to inspect and copy records, on at least three (3) days prior written notice and during regular business hours. Records must be kept accurate and current.

Section 607 Use of Project Images

Participant hereby consents to the use by Agency and City of images of the Project, its models, plans and other graphical representations of the Project and its various elements ("Project Images") in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the Agency and/or City in connection with the Project. Such right to use the Project Images shall not be assignable by the Agency or City to any other party (including, without limitation, any private party) without the prior written consent of Participant. For any Project Images provided to Agency and City by Participant, Participant shall use reasonable efforts to obtain any rights and/or consents from any third parties necessary to provide these Project Image use rights to Agency and City.

Section 608 Legal Incapacity of Agency

(a) By entering into the Cooperation Agreement and by effectuating a transfer to the City of the Redevelopment and Housing Funds and the Agency's rights, interests and obligations relating to the Project, it was the intent of the Agency and the City, without the need for further Agency action, that if the Agency is unable to perform its obligations under this OPA due to a dissolution of the Agency, a suspension of its powers, or other legal incapacity, then the City shall perform all of the duties and obligations that were to be performed by the Agency under this OPA and shall have the benefit of all of the Agency's rights, remedies and interests under this OPA; provided, however, that nothing hereunder shall obligate the City to draw upon any funds other than the Redevelopment and Housing Funds to satisfy such obligations of the Agency and provided further, that nothing hereunder shall have the effect of relieving the Agency of any of its duties and obligations hereunder and this OPA shall remain fully enforceable against the Agency and its successors and assigns, whether voluntary or involuntary successors, or whether successors by operation of law.

(b) So long as the Agency is able to perform its duties and obligations under this OPA, the Agency and the City shall cooperate to take such actions and execute such documents and instruments as are necessary and appropriate to reconvey from the City to the Agency those assets previously held by the Agency, including but not necessarily limited to the Redevelopment and Housing Funds, at such times and in such amounts as are required by the Agency to perform its obligations hereunder.

(c) The Participant shall accept performance by the City of the Agency's obligations under this OPA and acknowledges and agrees that the City intends to fulfill any financial obligations under this OPA from or through tax increment funds made available by the Agency, and under no circumstances from or through the City's general fund. Accordingly, nothing in this OPA shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this OPA.

(d) The Parties hereby agree to take such actions and execute such documents and instruments as are reasonably required to carry out the intent of this Section 608.

Section 609 Agency Indemnification of City

In contemplation of the provisions of California Government Code section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code section 895, the Agency and the City, as between themselves, pursuant to the authorization contained in Government Code sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this OPA to the same extent that such liability would be imposed in the absence of Government Code section 895.2. Notwithstanding the foregoing, and to the fullest extent allowed by law, the Agency, its successors and assigns, hereby indemnifies, defends and holds harmless the City for any liability, losses, cost or expenses that may be incurred by the City arising out of or related to this OPA and the Project.

Section 610 Action or Approval

(a) Whenever an administrative action is required by the Agency to implement the terms of this OPA, the Chairman of the Agency, or an authorized designee, shall have authority to act on behalf of the Agency, except with respect to matters reserved under California law wholly for determination by the Agency's governing body. By way of example, the Chairman or designee shall have the authority to issue interpretations, waivers and/or enter into certain implementing agreements to this OPA on behalf of the Agency and such interpretations, waivers and/or implementing agreements may include extensions of time to perform as specified in the Schedule of Performance, Permitted Transfer of rights or obligations of Participant, or Permitted Transfer of Participant's interest in the Project, subordination agreements or estoppels in a form acceptable to the Chairman of the Agency or designee to evidence that the Agency Loan is subordinate to the Senior Loan, and other documents in accordance with this Agreement, as reasonably requested by the Investor Limited Partner or the Senior Lender in order to effect a closing of the financing of the Project.

(b) Whenever an administrative action is required by the City to implement the terms of this OPA, the Mayor of the City or an authorized designee, shall have authority to act on behalf of the City, except with respect to matters reserved under California law wholly for determination by the City Council of the City of Inglewood. By way of example, the Mayor of the City or designee shall have the authority to issue interpretations, waivers and/or enter into certain implementing agreements to this OPA on behalf of the City and such interpretations, waivers and/or implementing agreements may include extensions of time to perform as specified in the Schedule of Performance, Permitted Transfer of rights or obligations of Participant, or Permitted Transfer of Participant's interest in the Project, subordination agreements or estoppels in a form acceptable to the Mayor of the City or designee to evidence that the Agency Loan is subordinate to the Senior Loan, and other documents in accordance with this Agreement, as reasonably requested by the Investor Limited Partner or the Senior Lender in order to effect a closing of the financing of the Project.

Section 611 Assurances to Act in Good Faith

Participant, the City and the Agency agree to execute all documents and instruments and to take all action, including timely depositing funds as required hereby, and shall use their respective best efforts to accomplish the development of the Site in accordance with the provisions hereof. Approvals required of the Agency, the City or the Participant shall not be unreasonably withheld. Any reference in this OPA or the Residential Loan Documents to an action, approval, or consent on the part of the Agency, the City or Participant shall require such party to act reasonably in all respects except as otherwise expressly provided.

Section 612 Real Estate Commissions

Neither the Agency, the City nor the Participant shall be liable for any real estate commissions, brokerage fees or finders fees which may arise from this transaction. The Agency, the City and the Participant each represent to the other that it has employed no broker, agent, or finder in connection with this transaction.

Section 613 Employment and Training Requirements

The Participant hereby agrees to fully comply with the Employment and Training Requirements, attached hereto as Attachment No. 16 and incorporated herein by this reference.

Section 614 Interpretation

This OPA is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties. The terms of this OPA shall be construed in accordance with the meaning of the language used and shall not be construed for or against any party by reason of the authorship of this OPA or any other rule of construction which might otherwise apply.

Section 615 Severability

If any provision of this OPA shall be adjudged invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this OPA shall not be affected thereby, but this OPA shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein, and the remainder of this OPA shall be valid and enforceable to the fullest extent permitted by law.

Section 616 No Third Party Beneficiaries

This OPA is made solely and specifically between the Agency, the City and Participant and their respective successors and assigns; and, except as expressly provided otherwise in this OPA, no other person will have any rights, interest or claims under this OPA or be entitled to any benefits under or on account of this OPA as a third party beneficiary or otherwise.

Section 617 Authority to Sign

Participant hereby represents that the person executing this OPA on behalf of Participant has full authority to do so and to bind Participant to perform pursuant to the terms and conditions of this OPA.

Section 618 Titles and Captions.

Titles and captions are for convenience only and shall not be construed to limit or extend the meaning of this OPA.

Section 619 Section 619 Gender and Number.

As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

ARTICLE VII ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

(a) This OPA shall be executed in three duplicate originals each of which is deemed to be an original. This OPA and its attached Exhibits shall constitute the entire understanding and agreement of the parties.

(b) This OPA integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all (or any part of or any interest in) the Site. This OPA and all documents incorporated herein contain the entire understanding among the parties hereto relating to the transactions contemplated herein and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written.

(c) All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Party intended to receive the benefit of the provision being waived, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties to be bound thereby. This OPA and any provisions hereof may be amended by mutual written agreement by the Participant and, as applicable, the Agency Chairman and/or the Mayor of the City, subject to review and approval by the Agency Board and/or City Council as needed to comply with applicable law and internal policies and procedures. The waiver by any Party of any term, covenant, or condition herein contained shall not be a waiver of such term, covenant, or condition on any subsequent breach.

(d) This OPA may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute one agreement binding on the Agency, the City and the Participant.

(e) This OPA does not take effect until executed by the Participant, the City and the Agency. This OPA, when executed by the Participant and delivered to the Agency and the City, must be authorized, executed and delivered by the Agency and the City within thirty (60) days after the date of signature by the Participant, or the Participant shall have the right to withdraw

its offer to enter into this OPA by providing written notice to the Agency and the City. This OPA shall not be effective until executed by the Agency Chairman and Mayor of the City.

(f) The Agency Chairman and the Mayor of the City are authorized to take such other and further actions, and sign such other and further agreements and documents on behalf of the Agency and City. Respectively, as may be necessary or proper to effect the terms of this OPA.

IN WITNESS WHEREOF, the parties hereto have entered into this OPA as of the Effective Date.

"PARTICIPANT"

REGENCY 145, L.P.,
a California limited partnership

By: Foundation for Affordable Housing V, Inc.,
a California non-profit public benefit corporation,
Its: Managing General Partner

By: _____
Deborrah A. Willard, President

By: Inglewood Regent Square LLC,
a California limited liability company,
Its: Administrative General Partner

By: _____
Dan Chandler, President

"AGENCY"

INGLEWOOD REDEVELOPMENT AGENCY,
a public body corporate and politic

By: _____
James T. Butts, Jr.
Chairman

ATTEST:

By: _____ for Deputy City Clerk
Yvonne Horton
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS
Agency General Counsel

By: _____
Cal P. Saunders

APPROVED:
KANE, BALLMER & BERKMAN
Agency Special Counsel

By: _____
Royce K. Jones

6-20-11 v2
5349-10-11

"CITY"

CITY OF INGLEWOOD

By: _____
James T. Butts, Jr.
Mayor

ATTEST:

By: Cheryl Moore, Deputy City Clerk
for: Yvonne Horton
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
City Attorney

By: Cal P. Saunders
Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
City Special Counsel

By: _____
Royce K. Jones

6-20-11 v2
5349-10-11

R-07-012

OWNER PARTICIPATION AGREEMENT

by and between

THE INGLEWOOD REDEVELOPMENT AGENCY,

AGENCY,

and

CLOUDBREAK INGLEWOOD, LLC,
a California Limited Liability Company,

PARTICIPANT.

Cloudbreak OPA
6/28/07
Final Version

TABLE OF CONTENTS

Page

I. [§ 100] SUBJECT OF AGREEMENT 1
- A. [§ 101] Purpose of the Agreement 1
- B. [§ 102] The Redevelopment Plan 1
- C. [§ 103] The Redevelopment Project Area 2
- D. [§ 104] The Site2
- E. [§ 105] The Project/Affordable Units 2
- F. [§ 106] Parties to the Agreement 3
  - 1. [§ 107] The Agency 3
  - 2. [§ 108] Participant 4
- G. [§ 109] Prohibition Against Change In Ownership, Management and Control of Participant 4

II. [§ 200] DEVELOPMENT OF THE SITE 5
- A. [§201] Responsibilities for Development 5
  - 1. [§ 202] Scope of Development 5
  - 2. [§ 203] Basic Concept Drawings 5
  - 3. [§ 204] Landscaping and Grading Plans 5
  - 4. [§ 205] Construction Drawings and Related Documents for the Site 6
  - 5. [§ 206] Agency Approval of Plans, Drawings, and Related Documents 6
  - 6. [§ 207] Cost of Construction 7
  - 7. [§ 208] Schedule of Performance 7
  - 8. [§ 209] Indemnification/Insurance 8
  - 9. [§ 210] Antidiscrimination During Construction 9
  - 10. [§ 211] Local, State, and Federal Laws 10
  - 11. [§ 212] City and Other Governmental Agency Permits 11
  - 12. [§ 213] Rights of Access 11
  - 13. [§ 214] Compliance with Environmental Laws 11
  - 14. [§ 215] Presence of Hazardous Substances 11
  - 15. [§ 216] Notice of Environmental Matters; Hazardous Substances Claims 12
  - 16. [§ 217] Environmental Indemnification by the Participant 13
  - 17. [§ 218] Submission of Evidence of Financing 13
- B. [§ 219] Responsibilities of the Agency 15
- C. [§ 220] Taxes, Assessments, Encumbrances and Liens 15
- D. [§ 221] Security Financing; Rights of Holders 15
  - 1. [§ 222] No Encumbrances Except Mortgages, Deeds of Trust, Conveyances and Leases-Back or Other Conveyance for Financing for Development 15
  - 2. [§ 223] Mortgagee Protection 16

3. [§ 224] Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure 19
4. [§ 225] Failure of Mortgagee to Complete Improvements 20
5. [§ 226] Right of Agency to Cure Mortgage, Deed of Trust, or Other Security Interest Default 20
E. [§ 227] Right of the Agency to Satisfy Other Liens 21
F. [§ 228] Release of Construction Covenants 21
G. [§ 229] Relationship of Agency and Participant 21
H. [§230] Representations and Warranties 22
III. [§ 300] USE OF THE SITE 23
A. [§ 301] Uses 23
B. [§ 302] Maintenance of the Site 24
C. [§ 303] Obligation to Refrain From Discrimination 24
D. [§ 304] Form of Nondiscrimination and Nonsegregation Clauses 24
E. [§ 305] Effect and Duration of Covenants 26
IX. [§ 400] DEFAULTS, REMEDIES AND TERMINATION 26
A. [§ 401] Defaults - General 26
B. [§ 402] Legal Actions 26
1. [§ 403] Institution of Legal Actions 26
2. [§ 404] Applicable Law 27
3. [§ 405] Acceptance of Service of Process 27
C. [§ 406] Rights and Remedies are Cumulative 27
D. [§ 407] Damages 27
E. [§ 408] Specific Performance 27
F. [§ 409] Remedies and Rights of Termination 28
1. [§ 410] Termination by Participant 28
2. [§ 411] Termination by Agency 28
X. [§ 500] GENERAL PROVISIONS 30
A. [§ 501] Notices, Demands, and Communications Between the Parties 30
B. [§ 502] Conflicts of Interest 30
C. [§ 503] Nonliability of Agency Officials and Employees 31
D. [§ 504] Enforced Delay: Extension of Time of Performance 31
E. [§ 505] Inspection of Books and Records 31
F. [§ 506] Approvals 31
G. [§ 507] Attorneys' Fees 31
XI. [§ 600] SPECIAL PROVISIONS 32
A. [§ 601] Employment and Training Agreement 32
B. [§ 602] Agency Administration 32
C. [§ 603] Payment of Prevailing Wages 32
D. [§604] Agreement Containing Covenants 33
XII. [§ 700] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS 33

XIII. [§ 800] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY; DATE OF AGREEMENT 33

ATTACHMENTS

ATTACHMENT NO. 1 - SITE MAP
ATTACHMENT NO. 1A - LEGAL DESCRIPTION
ATTACHMENT NO. 2 - METHOD OF FINANCING
ATTACHMENT NO. 2A - REIMBURSABLE WORK
ATTACHMENT NO. 2B PROJECT BUDGET
ATTACHMENT NO. 3 - SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 4 - SCOPE OF DEVELOPMENT
ATTACHMENT NO. 5 - AGREEMENT CONTAINING COVENANTS
ATTACHMENT NO. 6 - JOB TRAINING & RECRUITMENT PROGRAM FOR INGLEWOOD RESIDENTS
ATTACHMENT NO. 7 - PROMISSORY NOTE
ATTACHMENT NO. 8 - DEED OF TRUST

OWNER PARTICIPATION AGREEMENT

THIS OWNER PARTICIPATION AGREEMENT (this "Agreement") is entered into by and between the INGLEWOOD REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency") and CLOUDBREAK INGLEWOOD, LLC, a California limited liability company (the "Participant"). The Agency and the Participant are sometimes collectively referred to herein as the "Parties." The Parties agree as follows:

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Merged La Cienega Redevelopment Project Area by increasing, improving and preserving the supply of affordable rental housing in the community by providing for the redevelopment on certain real property owned by the Participant (the hereinafter defined "Site") an approximately 82,784 square feet five-story affordable housing apartment complex with appropriate elevator service and landscaping; pursuant to which, one hundred ninety-six (196) residential dwelling units of approximately 68,324 square feet shall be developed and made available for occupancy by persons or households of low and lower income (with preference given to United States veterans), approximately 11,172 square feet shall be developed and devoted to common area and circulation space, and approximately 3,288 square feet shall be developed and committed to tenant recreational space (collectively the "Residential Improvements"). In addition to the Residential Improvements, the Participant shall construct a four and one-half story parking structure in which approximately three hundred and sixteen (316) parking spaces (of which only two hundred and eight (208) are actually required by City code) shall be provided (the "Parking Structure"). Both the Residential Improvements (which is commonly known as "Westside II") and the Parking Improvements are sometimes collectively referred to herein as the "Project."

The redevelopment of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement are in the vital and best interest of the City of Inglewood (the "City") and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

B. [§ 102] The Redevelopment Plan

1. This Agreement is subject to the provisions of the Redevelopment Plan for the Merged Redevelopment Project Area, which was approved and adopted on February 26, 2002, by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 by the City Council of the City of Inglewood (the "Redevelopment Plan"). Said Ordinances and the Redevelopment Plan are incorporated herein by reference and made a part hereof as though set forth in full.

2. Any amendments hereafter to the Redevelopment Plan (as so approved and adopted) which change the uses or development permitted on the Site as proposed in this

Agreement, or otherwise change the restrictions or controls that apply to the Site, or otherwise affect the Participant's obligations or rights with respect to the development of the Site, shall not apply to the Site without the written consent of the Participant.

C. [§ 103] The Redevelopment Project Area

The La Cienega portion of the Merged Redevelopment Project Area (the "Redevelopment Project Area") is located in the City of Inglewood. The exact boundaries of the Redevelopment Project area are specifically and legally described in the Redevelopment Plan for such Redevelopment Project.

D. [§ 104] The Site

The "Site" is approximately 35,343 square feet in total size. The Site is part of the Westside Veterans Campus and is located at 725-733 South Hindry Avenue within the City of Inglewood as illustrated and designated on the "Site Map" which is incorporated herein and attached to this Agreement as Attachment No. 1 and as more precisely described in the "Legal Description" which is incorporated herein and attached hereto as Attachment No. 1A. The Site is owned by the Participant.

E. [§ 105] The Project/Affordable Units

a. Unit Mix. The Unit Mix of the Project shall be as follows:

1. One Hundred Forty-Eight (148) of the Affordable Units shall be "efficiency units," each containing living quarters consisting of one (1) full bathroom (shower only), and a kitchenette comprised of a sink, small refrigerator, cabinets and counter space (the "Efficiency Units"); and

2. Forty-Eight (48) of the Affordable Units shall consist of single room occupancy units (the "SRO Units").

b. Occupancy Restrictions. The Project shall be occupied by persons and households specifically set forth herein. However, notwithstanding the foregoing, occupancy preference for the Affordable Units may be given to United States veterans that meet the Income Restrictions; and

c. Income Restrictions. The Affordable Units shall be restricted as follows:

1. Forty (40) of the Affordable Units shall be made available to and occupied by persons or households whose income does not exceed thirty percent (30%) of the area median income of Los Angeles County, adjusted for household size, as published annually by the Department of Housing and Community Development and determined in accordance with the U.S. Department of Housing and Urban Development published criteria from time to time in

effect ("AMI"), at an initial monthly rental rate of Three Hundred Eighty-Eight Dollars ($388.00). The initial monthly rental rate may be adjusted from time to time so long as the rental rate does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times thirty percent (30%) of AMI.

2. Fifty-three (53) of the Affordable Units shall be made available to and occupied by persons or households whose income does not exceed forty percent (40%) of AMI at an initial monthly rental rate of Five Hundred Eighteen Dollars ($518.00). The initial monthly rental rate may be adjusted from time to time so long as the rental rate does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times forty percent (40%) of AMI.

3. Sixty (60) of the Affordable Units of which twelve (12) SRO Units and forty-eight (48) Efficiency Units shall be made available to and occupied by persons or households whose income does not exceed fifty percent (50%) of AMI at an initial monthly rental rate of Six Hundred Dollars ($600.00). The initial monthly rental rate may be adjusted from time to time so long as the rent does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times fifty percent (50%) of AMI.

4. Forty-three (43) of the Affordable Units shall be made available to and occupied by persons or households whose income does not exceed sixty percent (60%) of AMI at a monthly rental rate of Six Hundred Twenty Five Dollars ($625.00). The initial monthly rental rate may be adjusted from time to time so long as the rent does not exceed one-twelfth (1/12) of the product of thirty percent (30%) times sixty percent (60%) of AMI.

F. [§ 106] Parties to the Agreement

1. [§ 107] The Agency

a. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California.

b. The address of the Agency for purposes of this Agreement is: City Hall, One Manchester Boulevard, Suite 450, Inglewood, California 90301, Attention: Executive Director.

c. "Agency" as used in this Agreement, includes the Inglewood Redevelopment Agency, and any public body that is an assignee of or successor to its rights, powers and responsibilities.

2. [§ 108] Participant

a. The Participant is the Cloudbreak Inglewood, LLC, a California limited liability company.

b. The address of the Participant for purposes of this Agreement is 733 South Hindry Avenue, Inglewood, CA 90301-3055.

c. Wherever the term "Participant" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

G. [§ 109] Prohibition Against Change In Ownership, Management and Control of Participant

The Participant represents and agrees that its undertakings pursuant to this Agreement are, and that the Site will be used, for the purpose of redevelopment of the Site and not for speculation in land holding. The Participant further recognizes that, in view of:

1. the importance of the redevelopment of the Site to the general welfare of the community;

2. the public aids that have been made available by law and by the government for the purpose of making such redevelopment possible; and

3. the fact that a change in ownership or control of the Participant or a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or control of the Participant, or the degree thereof, is for practical purposes a transfer or disposition of the Site or part thereof then owned by the Participant,

the qualifications and identity of the Participant, and its principals, are of particular concern to the community and the Agency. The Participant further recognizes that it is because of such qualifications and identity that the Agency is entering into this Agreement with the Participant. No voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this Agreement except as expressly set forth herein.

Prior to the issuance of a "Release of Construction Covenants" (as such term is defined in Section 228 of this Agreement), the Participant shall not assign all or any part of this Agreement without the prior written approval of the Agency, which approval shall not be unreasonably withheld if, in the reasonable determination of the Agency, the proposed assignee/transferee of the Participant has the qualifications of a Participant comparable in all material respects (including experience, character and financial capability) to the Participant. However, notwithstanding the foregoing, Agency consent shall not be required for any assignment of this Agreement where the Participant is

the majority/controlling/voting shareholder, general partner or managing member owning at least a fifty-one percent (51%) share or interest in the proposed assignee.

The Participant shall promptly notify the Agency of any and all changes whatsoever in the identity of the parties in control of the Participant or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the Agency if there is a significant change (voluntary or involuntary except as the result of death or incapacity) in membership, ownership, management or control of the Participant in violation of this Agreement prior to the issuance of a Release of Construction Covenants for the Site.

In the absence of a specific written agreement by the Agency, no assignment of this Agreement or the Property (or any portion thereof), or approval by the Agency of any transfer, conveyance or assignment, shall be deemed to relieve the Participant from any obligations under this Agreement.

The restrictions of this Section 109 shall terminate upon issuance by the Agency of a Release of Construction Covenants for the entire Site or any portion thereof, as applicable.

II. [§ 200] DEVELOPMENT OF THE SITE

A. [§201] Responsibilities for Development

1. [§ 202] Scope of Development

The Site shall be developed in accordance with and within the limitations established in the "Scope of Development" incorporated herein and attached hereto as Attachment No. 4.

2. [§ 203] Basic Concept Drawings

Concurrently with its approval of this Agreement, the Agency has approved Basic Concept Drawings and related documents for the development of the Site. Basic Concept Drawings shall include a site plan showing the improvements as they are to be developed and constructed on the Site. However, notwithstanding the foregoing, in no event shall any such Agency approvals constitute a waiver by the City of any discretionary approval rights, or otherwise preclude the City from exercising all such rights with respect to any planned assembly development submittals required of the Participant for the development of the Site.

The Site shall be developed as established in the Basic Concept Drawings and related documents except as changes may be mutually agreed upon between the Participant and the Agency. Any such changes shall be within the limitations of the Scope of Development.

3. [§ 204] Landscaping and Grading Plans

The Participant shall prepare and submit to the Agency for its approval preliminary and final landscaping plans and preliminary and finished grading plans for the Site. Those plans shall be

prepared and submitted within the times established in the Schedule of Performance. The landscaping plans shall include a lighting program which highlights the design of exterior components of the development including but not limited to building facades, architectural detail, landscaping and sculpture.

The landscaping plans shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as the Participant's architect. Within the times established respectively therefore in the Schedule of Performance, the Participant shall submit to the Agency for approval the name and qualifications of its architect, landscape architect and civil engineer for development of the Site.

4. [§ 205] Construction Drawings and Related Documents for the Site

The Participant shall prepare and submit construction drawings and related documents (collectively called the "Drawings") for the development of the Project upon the Site to the Agency for review (including but not limited to architectural review), and written approval within the times established in the Schedule of Performance (Attachment No. 3). Such construction drawings and related documents shall be submitted in two (2) stages: Schematic/Design Development Drawings and Final Construction Drawings for the Site. Final Construction Drawings are hereby defined as those in sufficient detail to obtain a building permit.

Approval of progressively more detailed drawings and specifications will be promptly granted by the Agency if developed as a logical evolution of drawings or specifications theretofore approved. Any items so submitted and approved by the Agency shall not be subject to subsequent disapproval.

During the preparation of all drawings and plans, the Agency and the Participant shall hold regular progress meetings to coordinate the preparation of, submission to, and review of construction plans and related documents by the Agency. The Agency and the Participant shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the Agency can receive prompt and speedy consideration.

If any revisions or corrections of plans approved by the Agency shall be required by any government official, agency, department, or bureau having jurisdiction over the development of the Site, the Participant and the Agency shall cooperate in efforts to obtain waiver of such requirements or to develop a mutually acceptable alternative.

5. [§ 206] Agency Approval of Plans, Drawings, and Related Documents

Subject to the terms of this Agreement, the Agency shall have the right of review (including without limitation architectural review) of all plans and submissions described above, including any proposed changes therein which materially affect the exterior of the development or the scope or composition of the development. The Agency shall approve or disapprove the plans, drawings and

related documents referred to in Section 203, 204 and 205 of this Agreement within the times established in the Schedule of Performance (Attachment No. 3). Failure by the Agency to either approve or disapprove within the times established in the Schedule of Performance shall be deemed an approval. Any disapproval shall state in writing the reasons for disapproval and the changes which the Agency requests to be made. Such reasons and such changes must be consistent with the Scope of Development (Attachment No. 4) and any items previously approved or deemed approved hereunder. The Participant, upon receipt of a disapproval based upon powers reserved by the Agency hereunder shall revise the plans, drawings and related documents, and shall resubmit to the Agency as soon as practicable after receipt of the notice of disapproval.

If the Participant desires to make any substantial change in the Final Construction Drawings after their approval, such proposed change shall be submitted to the Agency for reasonable approval. If the Final Construction Drawings, as modified by the proposed change, conform to the requirements of Section 205 of this Agreement and the Scope of Development, the proposed change shall be approved and the Participant shall be notified in writing within fifteen (15) days after submission. Such change in the construction plans shall, in any event, be deemed approved unless rejected, in whole or in part, by written notice thereof setting forth in detail the reasons therefor, and such rejection shall be made within said fifteen (15) day period.

6. [§ 207] Cost of Construction

Subject to the terms and conditions of this Agreement, the cost of developing the Site and constructing all improvements thereon, shall be borne by the Participant.

7. [§ 208] Schedule of Performance

The Participant shall promptly begin and thereafter diligently prosecute to completion the construction of the improvements on the Site, together with related off-site public improvements, all as provided in the Scope of Development (Attachment No. 4). The Participant shall begin and complete all construction and development within the times specified in the Schedule of Performance (Attachment No. 3) with such reasonable extensions of said dates as may be granted by the Agency in its reasonable discretion or in accordance with Section 504, herein. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Participant and the Agency.

During periods of construction, the Participant shall submit to the Agency a written report of the progress of the construction when and as reasonably requested by the Agency, but not more often than quarterly; provided however, that such quarterly reports are reasonably satisfactory to the Agency, timely submitted and that no need exists for the reports to be provided more frequent than quarterly. The report(s) shall be in such form and detail as may be reasonably required by the Agency and shall include a reasonable number of construction photographs (if requested) taken since the last report by the Participant.

During periods of construction, the Agency shall give reasonable assistance to the Participant

in encouraging other governmental entities to make prompt, timely inspections in order to keep the development of the Site on schedule.

8. [§ 209] Indemnification/Insurance

a. The Participant shall defend, release, indemnify and hold harmless the Agency, the City of Inglewood, and their respective officers, employees, contractors and agents from any claim, suit, liability, or judgment arising out of bodily injury or property damage resulting from, arising out of, or in any way connected with, the performance of this Agreement (including but not limited to the construction of the Project on the Site, or any of Participant's activities hereunder) by the Participant, whether such activities or performance thereof be by the Participant or anyone directly or indirectly employed or contracted with the Participant and whether such damage shall accrue or be discovered before or after termination of this Agreement. This paragraph shall not apply to claims, suits, liabilities, or judgments arising out of any damage caused by the negligence or willful misconduct of Agency, the City or their respective officers or employees.

b. Without diminishing its responsibilities to hold the Agency harmless, prior to commencement of construction of the Project, the Participant shall obtain, and furnish or cause to be furnished to the Agency Executive Director evidence of the following forms of insurance coverage, which the Participant shall maintain as provided in this Section 209:

1. Worker's Compensation insurance, if and as required by law, including Employer's Liability coverage, with limits not less than the amount required by law, if any.

2. Comprehensive General Liability insurance, with limits not less than Two Million Dollars ($2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverage for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

3. Comprehensive Automobile Liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverage for owned, non-owned and hired vehicles, as applicable. However, if the Participant does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required.

4. Property insurance, which shall be effective as of the start of construction, covering the Site and all real and personal (non-expendable) property leased or purchased by Participant in connection with the development of such property, in form appropriate for the nature of such property, covering all risks of loss,

excluding earthquake and flood, for 100% of the replacement value (excluding foundations), with deductible, if any, acceptable to the Agency.

5. The Participant shall cause any general contractor or agent working on the Site under direct contract with the Participant to maintain insurance of the types and in at least the minimum amounts described in Sections 208.8.b.1, 2, and 3, and shall require that such insurance meet all of the general requirements of Sections 208.8.b.6, 7, and 8. The Participant shall cause the conditions in this Section 208.8.b.5 to continue to be satisfied at all times before issuance of a Release of Construction Covenants.

6. The insurance required by paragraphs 1 through 5 of this subsection 208.8.b. shall be maintained until the issuance of the Release of Construction Covenants.

7. Comprehensive General Liability, Comprehensive Automobile Liability and Property insurance policies shall be endorsed to name as additional insureds the Agency and the City and their respective officers, employees, contractors and agents, as well as the members of the Agency Board of Directors.

8. All policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, reduction in coverage, or intent not to renew to the address established for notices to the Agency, if such endorsement is obtainable.

c. Coverage provided hereunder by the Participant shall be primary insurance and not contributing with any insurance maintained by the Agency or the City, and the policy shall contain such an endorsement. The insurance policy or the certificate of insurance shall contain a waiver of subrogation for the benefit of the Agency and the City.

d. The Participant shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that any contractor with whom it has contracted for the performance of the construction on the Site carries workers' compensation insurance as required by law.

9. [§ 210] <u>Antidiscrimination During Construction</u>

The Participant for itself and its successors and assigns agrees that in the construction of the improvements on the Site and off-site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of sex, sexual orientation, marital status, race, color, creed, religion, national origin, or ancestry.

10. [§ 211] Local, State, and Federal Laws

Participant hereby agrees to carry out development, construction (as defined by applicable law) and operation of the Project on the Property, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including, without limitation, any requirement to pay state prevailing wages). Participant hereby expressly acknowledges and agrees that neither City nor Agency has ever previously affirmatively represented to the Participant or its contractor(s) for the Project in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. Participant hereby agrees that Participant shall have the obligation to provide any and all disclosures, representations, statements, rebidding, and/or identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees that Participant shall have the obligation to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. The Participant hereby agrees that the Participant shall have the obligation, at the Participant's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant shall indemnify, protect, defend and hold harmless the Agency, City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to Agency and City, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorneys fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Participant of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and/or (5) failure by the Participant to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. It is agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the Project, including, without limitation, any public work (as defined by applicable law), Participant shall bear all risks of payment or non-payment of state prevailing wages and/or the implementation

of SB 966 and/or Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and/or any other provision of law. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants with respect to any Participant violations that occurred prior to the termination of this Agreement.

Moreover, the Participant specifically agrees, for itself as well as any and all successors-in-interests to the Property, that it shall perform and operate all activities on the Property in full compliance with Article 4 and 5, Multiple Family Zone Regulators of the Inglewood Municipal Code.

11. [§ 212] City and Other Governmental Agency Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon any portion of the Site, or off-site, the Participant shall, at its own expense, secure or cause to be secured, any and all permits which may be required by the City or any other governmental agency with jurisdiction over such construction, development or work. The Agency shall provide all proper assistance to the Participant in securing these permits.

12. [§ 213] Rights of Access

Representatives of the Agency and the City shall have the reasonable right of access to the Site without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in developing the Project. Such representatives of the Agency or the City shall be those who are so identified in writing by the Executive Director of the Agency (or his designee). Such representatives shall give reasonable written notice to the Participant in advance of their access to the Site (except in cases of emergency), and in all respects their activities shall comply with then applicable laws and regulations regarding health and safety, and Participant's written safety rules and regulations.

13. [§ 214] Compliance with Environmental Laws

The Participant shall comply with all environmental laws and environmental permits applicable to the operations of the Participant and the ownership or use of the Site and the Project, shall immediately pay or cause to be paid all costs and expenses incurred by reason of such compliance, shall keep the Site and Project free and clear of any environmental claims or liens imposed pursuant to any environmental law, and shall obtain and renew all environmental permits required for ownership or use of the Site and the Project.

14. [§ 215] Presence of Hazardous Substances

a. Participant shall immediately notify the Agency of its discovery of any Hazardous Substances on the Site or the Project. For purposes of this Agreement, "Hazardous

Substances" shall include, without limitation, any flammable explosives, radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, except such of the foregoing that may be customarily kept and used in or about a construction site or on residential property. In the event that any such Hazardous Substances are discovered, it shall be the sole responsibility of Participant, its assigns, and successors in interest to undertake all remedial removal and other actions necessary to clean up all Hazardous Substances on or affecting the Site or the Project in accordance with all applicable federal, state, and local laws, regulations, rules and policies.

b. Further, Participant shall provide to the Agency, upon reasonable written request by the Agency, the Participant's representation substantially similar to the following:

1. To the best of Participant's knowledge, the Site and the Project are not in violation of any federal, state or local law, ordinance or regulation relating to the conditions on, under or about the Site or Project, including, but not limited to the soil and groundwater.

2. Neither the Participant, nor any third parties (to the best of the Participant's knowledge, after due inquiry and investigation), has used, generated, manufactured, refined, produced, processed, stored or disposed of on, under or about the Site or the Project or transported to or from the Site or the Project any Hazardous Substances, nor does the Participant intend to use the Site or the Project in the future for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing or transporting of Hazardous Substances.

15. [§ 216] Notice of Environmental Matters; Hazardous Substances Claims

a. The Participant shall immediately advise the Agency in writing if at any time it receives written notice of (1) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Participant with regard to the Site or Project pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Substances ("Hazardous Substances Law"); (2) all claims made or threatened by any third party against the Participant or the Site relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Substances (the matters set forth in clauses (1) and (2) above are hereinafter referred to as "Hazardous Substances Claims"); and (3) the Participant's discovery of any occurrence or conditions on any real property adjoining or in the vicinity of the Site or the Project that could cause the Site or the Project or any part thereof to be classified as "border-zone property" under California Health and Safety Code Sections 25220 *et seq.* or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Site under any Hazardous Substances Law.

b. The Agency shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Substances Claims and to have its reasonable attorneys' fees in connection therewith paid by the Participant.

c. Without the Agency's prior written consent, which shall not be unreasonably withheld, the Participant shall not take any remedial action in response to the presence of any Hazardous Substances on, under or about the Site or the Project, not enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Substances Claims, which remedial action, settlement, consent decree or compromise might, in the Agency's reasonable judgment, impair the value of any Agency security hereunder. However, the Agency's prior consent shall not be necessary if the presence of Hazardous Substances on, under, or about the Site or the Project either poses an immediate threat to the health, safety or welfare of any individual, or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the Agency's consent before taking such action, provided that in such event the Participant shall notify the Agency as soon as practicable of any action so taken. The Agency shall not withhold its consent, where consent is required hereunder, if either (1) a particular remedial action is ordered by a court of competent jurisdiction, (2) the Participant will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; or (3) the Participant establishes to the reasonable satisfaction of the Agency that there is no reasonable alternative to such remedial action which would result in less impairment of the Agency's security hereunder.

d. The Participant acknowledges and agrees that (1) this Section 216 is intended as the Agency's written request for information (and the Participant's response) concerning the environmental condition of the Site or the Project as required by California Code of Civil Procedure Section 726.5, and (2) each representation and warranty in this Agreement with respect to the environmental condition of the Site and the Project is intended by the parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

16. [§ 217] <u>Environmental Indemnification by the Participant</u>

The Participant agrees to defend, indemnify and hold harmless the Agency, the City, and their respective officers, employees, contractors and agents (collectively the "Indemnitees") from and against any and all obligations (including removal and remedial actions), losses, claims (including third party claims), suits, judgments, liabilities, penalties, damages (including consequential and punitive damages), costs and expenses (including consultants' and attorneys' fees and expenses) of whatever kind or nature whatsoever that may at any time be incurred by, imposed on, or asserted against the Indemnitees directly or indirectly based on, or arising or resulting from: (a) the actual or alleged presence of Hazardous Substances on the Site, or (b) any environmental claim relating in any way to the Project and/or to the Participant.

17. [§ 218] <u>Submission of Evidence of Financing</u>

a. Within the times established therefore in the Schedule of Performance, the Participant shall submit to the Agency evidence reasonably satisfactory to the Agency that the Participant has sufficient equity capital and/or commitments for the financing necessary for the development of the Site in accordance with this Agreement (the "Evidence of Financing"). The Agency shall approve or disapprove such Evidence of Financing within the times established in the Schedule of Performance. Such approval shall not be unreasonably withheld.

b. If the Agency shall disapprove any such Evidence of Financing, the Agency shall do so by written notice to the Participant stating the reasons for such disapproval. The Participant shall promptly obtain and submit to the Agency new Evidence of Financing. The Agency shall approve or disapprove such new Evidence of Financing in the same manner and within the same times established in this Section for the approval or disapproval of the Evidence of Financing as initially submitted to the Agency.

c. Such Evidence of Financing shall include the following:

1. A copy of the commitment or commitments obtained by the Participant for any construction loan or loans sufficient to finance the construction of the Project, certified by the Participant to be a true and correct copy or copies thereof. The commitment(s) for financing shall be in such form and content acceptable to the Agency as reasonably evidences a legally binding, firm and enforceable commitment; provided however, such commitment(s) may be subject to standard and customary conditions (including, but not limited to, conditions regarding the status of title, receipt of all required consents, licenses and permits and approvals of plans, specifications and studies); and

2. A financial statement as evidence of other sources of capital sufficient to demonstrate that the Participant has adequate funds to cover the difference, if any, between construction costs as set forth in the "Project Budget" attached hereto as Attachment No. 2A and incorporated herein by reference, minus financing authorized by construction loans. The Agency shall approve the financial statement as evidence of sources of equity capital if such is approved by the lender making the construction loan and the Agency approves such construction lender, or the lender provides the Agency with a letter indicating that the requisite amount of equity capital is on hand at that lender's institution and is solely committed to the development of the Site as contemplated in this Agreement;

3. A copy of all construction loan documents (e.g., notes, trust deeds, indentures, loan agreements, etc.) to be recorded to assure closing and complete funding for the construction of the Project on the Site; and

4. A copy of the contract between the Participant and a general

contractor for the construction of the Project, certified by the Participant to be a true and correct copy thereof.

B. [§ 219] Responsibilities of the Agency

The Agency shall not be responsible for performing any of the work specified in the Scope of Development (Attachment No. 4).

The Agency neither undertakes nor assumes nor will have any responsibility or duty to Participant or to any third party to review, inspect, supervise, pass judgment upon or inform Participant or any third party of any matter in connection with the development or construction of the Project on the Site, whether regarding the quality, adequacy or suitability of any plans, any labor, service, equipment or materials, any person furnishing the same, or otherwise. Participant and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to Participant or to any third party by the Agency in connection with such matter is for the public purpose of developing the Site and providing affordable housing opportunities with respect to the Affordable Units, and neither Participant (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon.

C. [§ 220] Taxes, Assessments, Encumbrances and Liens

The Participant shall pay when due all real estate taxes and assessments assessed and levied on or against the Site and each portion thereof. The Participant shall not place, or allow to be placed, on the Site or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement. The Participant shall remove, or shall have removed, any levy or attachment made on the Site (or any portion thereof), except those created by work of the Agency, or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Participant from contesting the validity or amount of any tax assessment, encumbrance or lien, nor to limit the remedies available to the Participant in respect thereto. The covenants of the Participant set forth in this Section 215 relating to the placement of any unauthorized mortgage, trust deed, encumbrance, or lien, shall remain in effect only until a Release of Construction Covenants of construction has been recorded with respect to the Site or the portion thereof upon which any unauthorized mortgage, trust deed, encumbrance or lien might be placed.

D. [§ 221] Security Financing; Rights of Holders

1. [§ 222] No Encumbrances Except Mortgages, Deeds of Trust, Conveyances and Leases-Back or Other Conveyance for Financing for Development

Notwithstanding Section 109, mortgages, deeds of trust, conveyances and leases-back, or any other form of conveyance required for any reasonable method of financing are permitted before the recordation of the Release of Construction Covenants on the Site or applicable portion thereof

(referred to in Section 228 of this Agreement), but only for the purpose of securing loans of funds to be used for financing the construction and development of the Project upon the Site or off-site public improvements related thereto, and any other expenditures necessary and appropriate to develop the Site under this Agreement. The Participant shall notify the Agency in advance of any mortgage, deed of trust, conveyance and lease-back, or other form of conveyance for financing if the Participant proposes to enter into the same before the recordation of the Release of Construction Covenants. The Participant shall not enter into any such conveyance for financing without the prior written approval of the Agency, which approval the Agency agrees to give if any such conveyance is given to a responsible financial or lending institution or other acceptable person or entity. Such lender shall be deemed approved unless rejected in writing by the Agency within ten (10) business days after receipt of notice thereof by the Agency. Any such disapproval shall state the reason therefor. Such lender approved by the Agency pursuant to this Section 318, shall not be bound by any amendment, implementation, or modification to this Agreement subsequent to its approval without such lender giving its prior written consent.

In any event, the Participant shall promptly notify the Agency of any mortgage, deed of trust, conveyance and lease-back, or other financing, conveyance, encumbrance or lien that has been created or attached to the Site (or portion thereof) prior to completion of the development of the Project thereon whether by voluntary act of the Participant or otherwise.

The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction, and land development. "Mortgagee," as used herein shall mean the holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement with respect to the Site. "Mortgaged Parcel" as used herein, shall refer to the Site or such portion thereof as is subjected to a mortgage.

2. [§ 223] Mortgagee Protection

The Agency and the Participant agree to cooperate in including in this Agreement, by suitable amendment, any reasonable provisions that may be requested by any holder of any mortgage, deed of trust or other security interest authorized by this Agreement for the purpose of fully implementing all necessary, appropriate and reasonable Mortgagee protection measures required by the Mortgagee(s) to reasonably protect or preserve any security interest of the Mortgagee in the collateral, including its lien upon the Site and the collateral assignment of this Agreement; provided however, in no event shall the Agency be obligated to modify any of the Participant's construction and development obligation for the Site as contemplated by this Agreement.

Moreover, the Mortgagee shall be entitled to the following additional protections:

(a) No action by Participant to cancel, surrender or materially modify the terms of this Agreement shall be binding upon a Mortgagee without its prior written consent. No action by the Agency to materially modify the terms of this Agreement shall be binding upon a Mortgagee without its prior written consent which shall not be unreasonably withheld, conditioned or delayed.

Further, no amendment to this Agreement affecting the Site made without the consent of any Mortgagee shall be binding upon such Mortgagee, or its successors-in-interest, should it become a party hereto.

(b) No notice of default given by the Agency to Participant shall be binding upon or affect said Mortgagee unless a copy of said notice shall be given to Mortgagee. In the case of an assignment of such Mortgage or change in address of such Mortgagee, said assignee or Mortgagee, by advance written notice to the Agency, may change the address to which such copies of notices are to be sent. The Agency shall not be bound to recognize any assignment of such Mortgage unless and until the Agency shall be given such advance written notice thereof including the name and address of the assignee. Thereafter, such assignee shall be deemed to be the Mortgagee hereunder with respect to the Mortgage being assigned.

(c) Any Mortgagee shall have the right to perform any term, covenant or condition and to remedy any default by Participant hereunder, and the Agency shall accept such performance with the same force and effect as if furnished by Participant; provided, however, that said Mortgagee shall not thereby or hereby be subrogated to the rights of the Agency. Participant may delegate and/or assign irrevocably to any Mortgagee the non-exclusive authority to exercise any or all of Participant's obligations and/or rights hereunder with respect to the Site or any portion of thereof subject to a mortgage or deed of trust, but no such delegation shall be binding upon the Agency unless and until such Mortgagee shall give to the Agency a true copy of a written instrument effecting such delegation. Such delegation of authority may be effected by the terms of the mortgage itself, in which case service upon Agency of an executed counterpart of conformed copy of said mortgage, together with written notice specifying the provisions therein which delegates such authority to said Mortgagee, shall be sufficient to give Agency notice of such delegation. No such delegation or assignment shall relieve Participant of any of its obligations hereunder.

(d) Foreclosure of any Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in a Mortgage, or any conveyance of the Site from Participant to a Mortgagee or its designee through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, shall not require the consent of the Agency or constitute a breach of any provision of, or a default under, this Agreement. Upon such foreclosure, sale or conveyance, except as otherwise set forth herein, all of the provisions contained in this Agreement applicable to the Site or any portion thereof shall be binding upon and for the benefit of any person who acquires title to the Site pursuant to such foreclosure, sale or conveyance, and the Agency shall recognize that purchaser or transferee in connection therewith as Participant hereunder, provided that such purchaser or transferee assumes each and all of the obligations of Participant hereunder with respect to the Site or any portion thereof so acquired. If any Mortgagee or its nominee or assignee shall acquire the Site or any portion thereof as a result of a judicial or nonjudicial foreclosure under any Mortgage, or by means of a deed in lieu of foreclosure, or through settlement of or arising out of any pending or contemplated foreclosure action, such Mortgagee shall thereafter have the right to convey the Site or any portion thereof and assign or transfer Participant's right, title and interest hereunder with respect thereto to an assignee without obtaining the Agency's prior written consent with respect thereto. Upon such acquisition as described in the preceding sentence by either Mortgagee, the

assignee or nominee of such Mortgagee, or the purchaser from Mortgagee, assignee or nominee, the Agency shall immediately execute and deliver a new agreement or amend this Agreement with such party, upon the written request therefor by such party given not later than one hundred eighty (180) days after such party's acquisition of the Site or any portion thereof. All Agency costs attributable to the negotiation and effectuation of the new agreement or amendment to this Agreement, as the case may be, shall be paid by the Mortgagee, the assignee or nominee of such Mortgagee, or the purchaser from Mortgagee, assignee or nominee prior to Agency execution of the new agreement or amendment. Any such new agreement or amendment of this Agreement shall be substantially the same in form and content as the provisions of this Agreement, except with respect to the parties thereto, and the elimination of any requirements which have been fulfilled by Participant prior thereto, and said new agreement shall have priority equal to the priority of this Agreement. Upon execution and delivery of such new agreement or amended agreement, the Agency shall cooperate with the new Participant, at the sole expense of the new Participant, in taking such action as may be necessary to cancel and discharge this Agreement.

(e) Except as set forth herein, nothing herein contained shall require any Mortgagee to cure any default of Participant referred to above.

(f) The Agency shall, upon request, execute, acknowledge and deliver to each Mortgagee, an agreement prepared at the sole cost and expense of Participant, in form satisfactory to each Mortgagee, between the Agency, Participant and the Mortgagees, agreeing to all of the provisions hereof.

(g) Provided that Participant is not in default hereunder, the Agency shall execute an estoppel certificate in form and substance reasonably satisfactory to the Mortgagee at the time of the initial advance in connection with construction financing and from time to time thereafter, upon the reasonable request of the Mortgagee.

(h) Upon acquiring title to the Site or portion thereof, the Mortgagee, except as provided above in Paragraph (d), shall have no monetary obligation or liability to the Agency beyond the Mortgagee's interest, if any, in the Site or portion thereof, and the Agency shall look exclusively to such interest in the Site for payment and discharge of any monetary obligations imposed upon the Mortgagee under this Agreement or any other document entered into in connection therewith. Mortgagee shall be released and relieved of any liability under the Agreement and under any other document entered into in connection therewith upon the assignment of Mortgagee's rights upon or subsequent to foreclosure of its collateral or acquisition in lieu of foreclosure. If the Mortgagee, its nominee or a purchaser in a foreclosure sale, shall acquire title to Participant's right, title and interest hereunder and shall cure all defaults which are susceptible of being cured by the Mortgagee or by said purchaser, as the case may be, then prior defaults which are not susceptible to being cured by the Mortgagee or by said purchaser which do not result in a failure to develop the Project upon the Site as contemplated by this Agreement, shall no longer be deemed defaults hereunder.

(i) If any Mortgagee is prohibited from commencing or prosecuting foreclosure

or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Participant, the times specified in this Section 218 for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition. However, notwithstanding the foregoing, immediately following any such extended period, the Mortgagee shall diligently commence and complete any such foreclosure or other proceedings.

(j) Any and all of the Mortgagee Protections herein stated shall apply to all or any portion of the Site. To the extent Mortgagee protections are sought or enforced as to a portion of the Site, such Mortgagee protections shall apply only to those portions of the Site thereby affected.

(k) If there is any conflict between the provisions of this Section 218 and any other provision of this Agreement, the provisions of this Section 222 shall control.

3. [§ 224] Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the Agency shall deliver any notice or demand to the Participant with respect to any breach or default by the Participant under this Agreement including, but not limited to, any default relative to the completion of construction of the Project on the Site, the Agency shall at the same time deliver to each Mortgagee a copy of such notice or demand at the address designated in writing by the Mortgagee. Each Mortgagee, with respect to the Site, shall (insofar as the rights of the Agency are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such Mortgagee upon obtaining possession, and such Mortgagee seeks to obtain possession with diligence and continuity through a receiver or otherwise, and such Mortgagee or person acquiring possession through a foreclosure or deed in lieu of foreclosure shall remedy or cure such default within ninety (90) days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced within such 90-day period, such Mortgagee or person acquiring possession through a foreclosure or deed in lieu of foreclosure shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity; and provided further that such Mortgagee or person acquiring possession through a foreclosure or deed in lieu of foreclosure shall not be required to remedy or cure any non-curable default of the Participant. The Mortgagee or person acquiring possession through a foreclosure or deed in lieu of foreclosure in that event must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such Mortgagee or person acquiring possession through a foreclosure or deed in lieu of foreclosure related, and submit evidence satisfactory to the Agency that it has the qualifications and/or financial responsibility necessary to perform such obligations. Any such Mortgagee or person acquiring possession through a foreclosure or deed in lieu of foreclosure properly completing such Improvements shall be entitled, upon written request made to the Agency, to a Release of Construction Covenants from the Agency.

4. [§ 225] Failure of Mortgagee to Complete Improvements

In any case where nine (9) months after default by the Participant in completion of the development of the Project upon the Site (for which a Release of Construction Covenants has not yet been issued by the Agency), and the Mortgagee has not exercised the option to construct, or if it has exercised the option but has not proceeded diligently with construction (including diligent efforts to obtain possession if necessary), the Agency may purchase the Mortgage by payment to the Mortgagee of the amount of the unpaid debt, plus any accrued and unpaid interest and other charges properly payable under the Mortgage, including any reasonable deferred or exit fees; provided, however, that the Mortgagee shall have thirty (30) days after its receipt of notice from the Agency of its intent to effect this purchase, in which the Mortgagee may exercise the option to construct (if it has not previously done so), or may resume proceeding diligently with construction, as the case may be, and if the Mortgagee does so act, the notice from the Agency shall be deemed withdrawn; the foregoing right to delay purchase by the Agency may be exercised only once by the Mortgagee. If the ownership of the Site (or any portion thereof) has vested in the Mortgagee, the Agency, if it so desires, shall be entitled to a conveyance from the Mortgagee to the Agency upon payment to the Mortgagee of an amount equal to the sum of the following as they pertain to the Site (or portion thereof):

a. The unpaid Mortgage at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).

b. All expenses with respect to foreclosure.

c. The net expense, if any (exclusive of general overhead), incurred by the Mortgagee as a direct result of the subsequent ownership or management of the Site (or portion thereof), such as insurance premiums and real estate taxes.

d. The cost of any improvements made or paid for by such Mortgagee.

c. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the Mortgage in existence to the date of payment by the Agency.

5. [§ 226] Right of Agency to Cure Mortgage, Deed of Trust, or Other Security Interest Default

In the event of a default or breach by the Participant of a Mortgage prior to the issuance of a Release of Construction Covenants therefor by the Agency, and the Mortgagee has not exercised its option to complete the development, the Agency may cure the default prior to completion of any foreclosure. In such event, the Agency shall be entitled to reimbursement from the Participant of all costs and expenses incurred by the Agency in curing the default. The Agency shall also be entitled to a lien upon the Site (or portion thereof) to the extent of such costs and disbursements incurred

prior to the issuance of a Release of Construction Covenants therefor. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized herein.

E. [§ 227] Right of the Agency to Satisfy Other Liens

Prior to the recordation of the Release of Construction Covenants for the Site or portion thereof, (referred to in Section 223 of this Agreement), and after the Participant has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Site (or portion thereof), other than the liens referred to in Section 221, the Agency shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Participant to pay or make provisions for the payment of any tax, assessment, lien or charge so long as the Participant in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site(or any portion thereof) to forfeiture or sale.

F. [§ 228] Release of Construction Covenants

Promptly after completion of construction and development of the Project to be completed by the Participant upon the Site, the Agency shall provide the Participant with a "Release of Construction Covenants" upon written request therefor by the Participant. The Agency shall not unreasonably withhold any such Release of Construction Covenants. The final Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement upon the Site.

The Release of Construction Covenants shall be in such form as to permit it to be recorded in the Office of the Recorder of Los Angeles County. If the Agency refuses or fails to furnish a Release of Construction Covenants for the Site (or portion thereof, as applicable) after written request from the Participant, the Agency shall, within ten (10) days of the written request, provide the Participant with a written statement which details the reasons the Agency refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the Agency's opinion of the action the Participant must take to obtain a Release of Construction Covenants. If the reasons for such refusal are confined to the immediate unavailability of specific items or materials for landscaping, the Agency will issue its Release of Construction Covenants upon the posting of a bond by the Participant with the Agency in an amount representing a fair value of the work not yet completed. If the Agency shall have failed to provide such written statement within said 10-day period, the Participant shall be deemed entitled to the Release of Construction Covenants.

Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of the Participant to any Mortgagee. Such Release of Construction Covenants is not notice of completion as referred to in Section 3093 of the California Civil Code.

G. [§ 229] Relationship of Agency and Participant

Nothing contained in this Agreement or in any other document or instrument made in connection with this Agreement shall be deemed or construed to create a partnership, tenancy in common, joint tenancy, joint venture or co-ownership by or between the Agency and the Participant. The Agency shall not be in any way responsible or liable for the debts, losses, obligations or duties of the Participant with respect to the Site or otherwise.

H. [§230] Representations and Warranties

As an inducement to the Agency to enter into this Agreement, the Participant hereby represents and warrants to the Agency, which representations and warranties are true and correct as of the date of this Agreement:

a. The Participant has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to satisfy all obligations of the Participant in this Agreement or in any instrument or document referred to herein (referred to collectively as the "Participant's Obligations");

b. This Agreement and all documents required hereby to be executed by Participant are, and shall be, valid, legally binding obligations of and enforceable against Participant in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally;

c. There is no provision of any indenture, instrument, or agreement, written or oral, to which Participant is a party or which governs the actions of Participant or which is otherwise binding upon Participant or Participant's property, nor is there any statute, rule or regulation, or any judgment, decree, or order of any court or agency binding on Participant or Participant's property which would be contravened by the execution, delivery or performance of any of Participant's Obligations;

d. There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of Participant, threatened against or affecting Participant, or any properties or rights of Participant, which, if adversely determined, would materially impair the right of Participant to execute or perform any of the Participant's Obligations, or would materially adversely affect the financial condition of Participant;

e. Neither the execution and delivery of this Agreement and documents referenced herein, nor the incurrence of the Participant's Obligations, nor the consummation of the transactions herein contemplated, nor compliance with

the terms of this Agreement and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreements or instruments to which Participant is a party;

f. To the best of Participant's knowledge, there are no pending, threatened or contemplated actions, suits, arbitrations, claims or proceedings, at law or in equity, affecting the Site or in which Participant is, or to the best of Participant's knowledge will be, a party by reason of Participant's Obligations, including, but not limited to, judicial, municipal or administrative proceedings in eminent domain, unlawful detainer or tenant evictions, collections, alleged building code, health and safety or zoning violations, employment discrimination or unfair labor practices, or workers' compensation, personal injuries or property damages;

g. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Participant, nor are any of such proceedings contemplated by Participant;

h. All reports, documents, instruments, information and forms of evidence delivered to the Agency concerning or required by this Agreement are accurate, correct and sufficiently complete to give the Agency true and accurate knowledge of their subject matter, and do not contain any misrepresentation or omission;

i. No representation, warranty or statement of Participant in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

The truth and accuracy of Participant's representations and warranties made herein shall constitute a condition for the benefit of the Agency to the performance of the Agency's obligations hereunder.

III. [§ 300] USE OF THE SITE

A. [§ 301] Uses

The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that during construction and thereafter the Participant, its successors and assignees shall develop and limit the uses on the Site to those specified in the Redevelopment Plan, the Scope of Development, and the Agreement Containing Covenants (as

hereinafter defined in Section 606), for the period specified in the applicable documents.

B. [§ 302] Maintenance of the Site

During construction and thereafter, the Participant shall reasonably maintain the improvements on the Site and shall keep the Site free from any accumulation of debris or waste materials. Any and all such maintenance shall be performed and/or all such debris or waste shall be removed within forty-eight (48) hours following written notice from the Agency to perform such maintenance and/or debris or waste removal.

During construction and thereafter, the Participant shall also reasonably maintain the landscaping required to be planted under the Scope of Development in a healthy condition.

C. [§ 303] Obligation to Refrain From Discrimination

The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof or interest therein, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property.

D. [§ 304] Form of Nondiscrimination and Nonsegregation Clauses

The Participant shall refrain from restricting the rental, sale or lease of the property on the basis of sex, sexual orientation, marital status, race, color, creed, religion, ancestry or national origin of any person. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing

covenants shall run with the land."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

c. In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through

him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

E. [§ 305] Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the Participant and any successor in interest to the Site or any part thereof for the benefit and in favor of the Agency, its successors and assigns, and the City. Such covenants to survive the issuance of the Release of Construction Covenants by the Agency shall be those specifically contained in the Agreement Containing Covenants (Attachment No. 5) which shall remain in effect for the periods specified therein. Covenants in this Agreement not expressly set forth in the Grant Deed shall terminate upon the issuance of a Release of Construction Covenants therefor.

IX. [§ 400] DEFAULTS, REMEDIES AND TERMINATION

A. [§ 401] Defaults - General

Subject to the extensions of time set forth in Section 504, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately after receipt of written notice commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, and during any period of curing shall not be in default.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

B. [§ 402] Legal Actions

1. [§ 403] Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action 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 Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the Federal District Court in the Central District of California.

2. [§ 404] Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

3. [§ 405] Acceptance of Service of Process

In the event that any legal action is commenced by the Participant against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director or Chair of the Agency, or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency against the Participant, service of process on the Participant shall be made by personal service upon the President, Secretary, managing partner or other officer of the Participant, and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

C. [§ 406] Rights and Remedies are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. [§ 407] Damages

If either party defaults with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured within ten (10) days after receipt of the notice of default if an obligation to pay money, or within thirty (30) days after the notice of default otherwise, or if such default (other than the payment of money) is of a type which is not capable of being cured within thirty (30) days, then if the default is not commenced to be cured within thirty (30) days after of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default. Neither party, however, shall have any right to indirect or consequential or punitive damages against the other, and each party hereby waives the right to claim the same against the other.

E. [§ 408] Specific Performance

If either party defaults with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured within ten (10) days after receipt of the notice of default of an obligation to pay money, or within thirty (30) days after the notice of default otherwise, or if such default (other than the payment of money) is of a type which is not capable of being cured within thirty (30) days, then if the default is not commenced to be cured within thirty (30) days after service of the notice of

default and if such default is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the nondefaulting party, at its option, may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement pertaining to such default.

F. [§ 409] Remedies and Rights of Termination

1. [§ 410] Termination by Participant

The Participant, at its option, may terminate this Agreement in the event that the Agency fails to timely perform any material obligation of the development as required under this Agreement, and such failure is not cured within thirty (30) days after the date of written demand by the Participant (or commenced to be cured within said thirty (30) day period in the event such obligation cannot be completely cured within said 45-day period), then this Agreement may, at the option of the Participant, be terminated by written notice thereof to the Agency.

In the event that within the timelines set forth therefore in the Schedule of Performance:

a. the Participant is unable, despite diligent and good faith efforts, to obtain financing consistent with this Agreement for the construction and development of all improvements on the Site in accordance with this Agreement and the Scope of Development (Attachment No. 4) and deliver to the Agency each submission of evidence of financing referred to in Section 219 within the time established therefor in the Schedule of Performance; or

b. the Participant is unable, despite diligent and good faith efforts, to obtain any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and consistent with the Drawings approved by the Agency:

i) all discretionary permits and/or approvals required by the City or other governmental entity having jurisdictions; or

ii) sewer and water permits; or

iii) building permits.

then this Agreement may, at the option of the Participant, be terminated by giving written notice thereof to the Agency. Upon such termination by the Participant, neither the Agency nor the Participant nor any successor in interest of either shall have any further rights against or liability to the other under this Agreement.

2. [§ 411] Termination by Agency

The Agency, at its option, may terminate this Agreement, if the Participant is unable, despite diligent and good faith effort, within the times set forth in the Schedule of Performance, to obtain any of the following permits or entitlements for the development of the Project in accordance with this Agreement (including the Scope of Development) and consistent with the Drawings approved by the Agency:

i) all discretionary permits and/or approvals required by the City or other governmental entity having jurisdiction; or

ii) sewer and water permits, or

iii) building permits.

In the event of such termination pursuant to this Section 411, neither the Agency nor the Participant shall have any further rights against or liability to the other under this Agreement or with respect to the Site.

The Agency, at its option, may also terminate this Agreement in the event that, in violation of this Agreement:

a. the Participant fails to deliver to the Agency any submission of Evidence of Financing referred to in Section 218 of this Agreement with respect to the Site within the times established therefor in the Schedule of Performance (Attachment No. 3); or

b. the Participant (or any successor in interest), assigns or attempts to assign the Agreement or any right herein, or in the Site (or any portion thereof) in violation of this Agreement; or

c. there is a substantial change in the ownership of the Participant, or with respect to the identity of the parties in control of Participant, or the degree thereof contrary to the provisions of Section 109 hereof; or

d. the Participant does not deliver any submission of plans, drawings, and related documents as required by this Agreement by the dates respectively provided in this Agreement without the advance written consent of the Agency; or

e. the Participant fails to diligently pursue and obtain prior to the date established in the Schedule of Performance, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the Agency:

i) all discretionary permits and/or approvals required by the City or

ii) other governmental entity having jurisdiction; or

iii) sewer and water permits, or

iv) building permits; or

f. the Participant fails to timely perform any other material obligation of the development of the Site as required under this Agreement; or

h. if any default or failure referred to in Sections (a), (b), (c), (d), (e) and (f) above and such default is not cured within thirty (30) days following written demand by the Agency, then this Agreement and any rights of the Participant, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the Agency, shall at the option of the Agency, be terminated with respect to the Site by written notice thereof to the Participant.

Moreover, and notwithstanding the foregoing and anything herein to the contrary, the Agency shall have the right , but not the obligation to, terminate this Agreement in the event that the Participant has not obtained the requisite federal tax credits in an approximate amount of Sixteen Million Dollars ($16,000,000) on or before July 1, 2007.

X. [§ 500] GENERAL PROVISIONS

A. [§ 501] Notices, Demands, and Communications Between the Parties

Formal notices, demands, and communications between the Agency and the Participant shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and the Participant, as designated in Sections 106 and 107 hereof. Such notices, demands and communications if given in person shall be deemed given when delivered, and if given by mail shall be deemed given three (3) business days after deposit in the mails. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 501.

B. [§ 502] Conflicts of Interest

No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

The Participant warrants 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.

C. [§ 503] Nonliability of Agency Officials and Employees

No member, official, employee or consultant of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or to its successor, or on any obligations under the terms of this Agreement.

D. [§ 504] Enforced Delay: Extension of Time of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder (except for the payment of money) shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, Acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplies, acts of the other party, acts or failure to act of the City or any other public or governmental agency or entity, foreign or domestic, (other than that acts or failure to act of the Agency shall not excuse performance by the Agency) or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Agency and the Participant.

Wherever this Agreement refers to performance by a specific time, or in accordance with the Schedule of Performance (Attachment No. 3), including without limitation in Sections 510 and 511 hereof, such times shall include any extensions pursuant to this Section 604.

E. [§ 505] Inspection of Books and Records

Prior to the issuance of the Release of Construction Covenants, the Agency has the right at all reasonable times to inspect the books and records of the Participant pertaining to the Site as pertinent to the purposes of this Agreement. The Participant also has the right at all reasonable times to inspect the books and records of the Agency pertaining to the Site as pertinent to the purposes of the Agreement.

F. [§ 506] Approvals

Except where this Agreement expressly provides for the approval of either party in its discretion, approvals required of the Agency or the Participant shall not be unreasonably withheld or delayed.

G. [§ 507] Attorneys' Fees

In the event that any litigation is commenced between the parties to this Agreement concerning any provision of this Agreement, including all attachments hereto, or the rights and obligations of any party, the parties to this Agreement hereby agree that the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted by the court, to a reasonable sum as and for its reasonable attorneys' fees in that litigation which shall be determined by the court in that litigation or in a separate action brought for that purpose.

XI. [§ 600] SPECIAL PROVISIONS

A. [§ 601] Employment and Training Agreement

The Participant hereby agrees to fully comply with all of the requirements of the Job Training and Recruitment Program for Inglewood Residents which is fully incorporated herein by this reference and attached to this Agreement as Attachment No. 6.

B. [§ 602] Agency Administration

In order to administer its responsibilities under this Agreement, and to coordinate with the City to carry out the development on the Site, the Agency shall designate the Executive Director, or his designee to serve as the responsible administrator (the "Project Head") for both the Agency and the City, commencing on the date of this Agreement and continuing for a period of not less than five (5) years thereafter. The Project Head shall have authority to give focus and direction to, and to insist upon coordination within, both the Agency and the City for all efforts undertaken by them pursuant to this Agreement or otherwise related to the development on the Site. Subject to its holding such hearings and taking such actions as may be required by law, the Agency agrees to administer this Agreement, and attempt to coordinate with other public agencies, in a way which will facilitate and not interfere with the Participant's performance under this Agreement as well as any other agreements implementing this Agreement, including without limitation:

1. Assistance in timely processing environmental clearances and approvals needed for the development.

2. Acceptance of similar packages of materials by various divisions within the Agency and the City, in an effort to avoid having to submit substantially similar information in dissimilar forms.

3. Establishment of priority and dedicated Agency staffing, where feasible.

C. [§ 603] Payment of Prevailing Wages

The Participant hereby agrees to fully comply and cause full compliance with all applicable requirements of the California Labor Code. In this regard, the Participant shall pay the applicable rates of prevailing wage to all construction employees to the extent required by the applicable provisions of the California Labor Code.

D. [§604] Agreement Containing Covenants

Within the time set forth in the Schedule of Performance, the Agency and Participant shall execute and record against the Site the "Agreement Containing Covenants" substantially in the form as attached hereto as Exhibit No. 6 and incorporated herein by reference.

E. [§605] Agency Loan/Subsidy Amount

The Agency shall provide a subsidy to the Project in the form of a "residual receipts" loan to the Participant in the amount of Seven Million Four Hundred Thousand Dollars ($7,400,000)(the "Agency Loan"), which shall be provided for the financing of the Project in compliance with the Community Redevelopment Law and pursuant to the specific terms and conditions established in the Method of Financing, attached hereto as Attachment No. 2 and fully incorporated herein by this reference. The Agency Loan shall be fully forgiven in the event that the Participant fully complies with the provisions of this Agreement, inclusive of all attachments. The Agency Loan shall also be evidenced by a promissory note in the form of the 'Promissory Note" attached hereto as Attachment No. 7, which shall be secured by a deed of trust in the form of "Deed of Trust" attached hereto as Attachment No. 8. Both the Promissory Note and the Deed of Trust are fully incorporated herein by reference.

XII. [§ 700] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement shall be executed in five duplicate originals each of which is deemed to be an original. This Agreement includes thirty five (35) pages and eleven (11) attachments which constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Site.

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with any Grant Deed conveying title to the Site and this Agreement shall continue in full force and effect with respect to the Site until after recordation of a Release of Construction Covenants for the Site as provided in Section 324.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant. This Agreement and any provisions hereof may be amended by mutual written agreement by the Participant and the Agency and such amendment shall not require the consent of any other fee owner, tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any other person or entity having an interest in the Site, except as otherwise expressly provided in this Agreement.

XIII. [§ 800] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY; DATE OF AGREEMENT

This Agreement, when executed by the Participant and delivered to the Agency, must be authorized, executed and delivered by the Agency within sixty (60) days after this Agreement is signed by the Participant, or this Agreement may be terminated by the Participant on written notice to the Agency. The date of this Agreement shall be the date it is signed by the Agency.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

INGLEWOOD REDEVELOPMENT AGENCY
(Agency)

Date: July 12, 2007

By: _____
Chairman
Roosevelt F. Dorn

CLOUDBREAK INGLEWOOD, LLC,
a California limited liability company
(Participant)

Date: 6/20/07

By: _____
Name: Randall Bishop
Its: Manager

APPROVED AS TO FORM AND LEGALITY
on this 12th day of July, 2007.

CAL SAUNDERS
Acting Agency General Counsel

By: Cal P. Saunders

APPROVED:

KANE, BALLMER & BERKMAN
Agency Special Counsel

By: _____
Royce K. Jones

ATTEST:

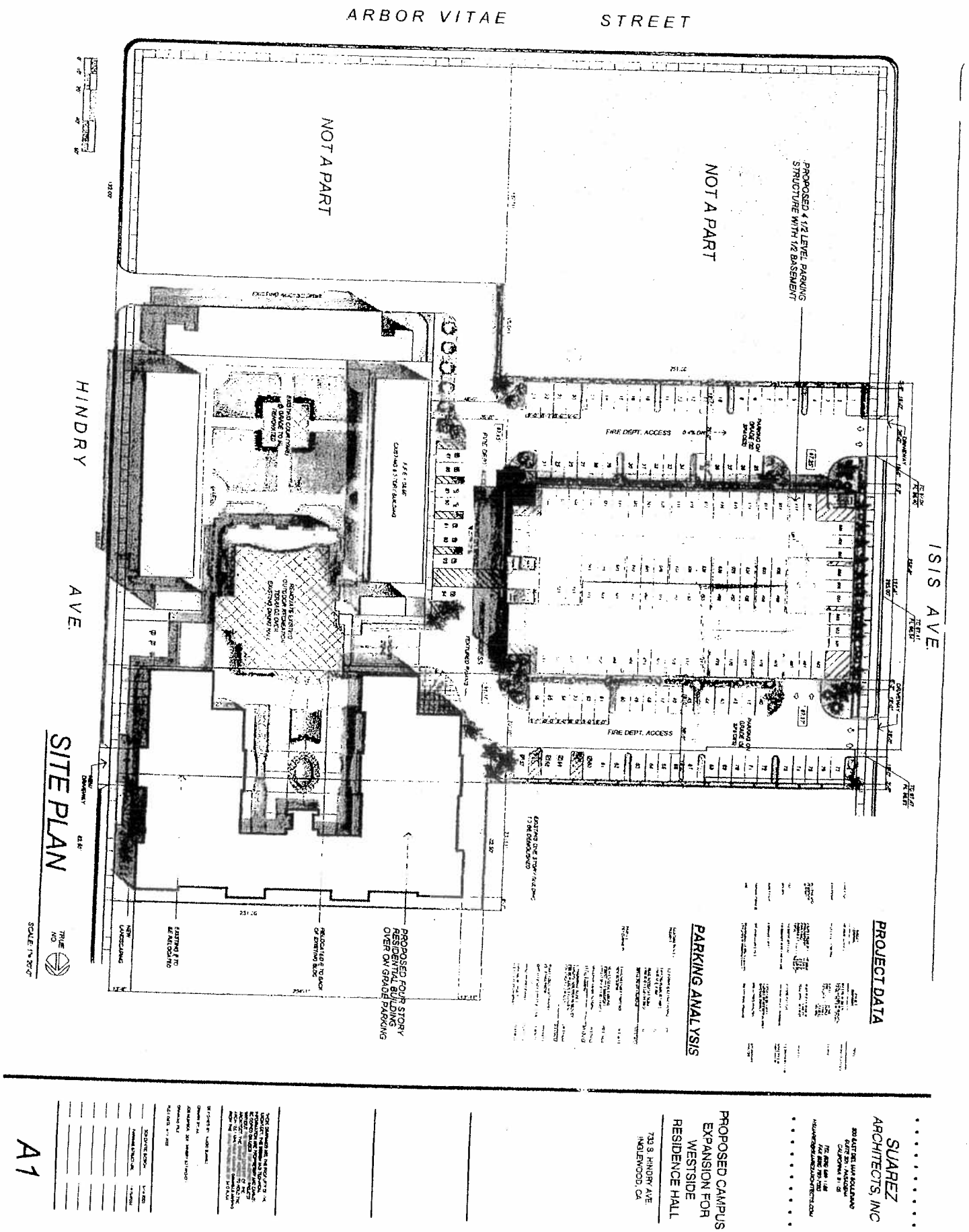
By: _____
Agency Secretary
Yvonne Horton

ATTACHMENT NO. 1

SITE MAP

[Behind this Page]

SITE MAP


ARBOR VITAE STREET
NOT A PART
NOT A PART
PROPOSED 4 1/2 LEVEL PARKING STRUCTURE WITH 1/2 BASEMENT
HINDRY AVE.
ISIS AVE.
FIRE DEPT. ACCESS
FIRE DEPT. ACCESS
PROPOSED FOUR STORY RESIDENTIAL BUILDING OVER ON GRADE PARKING
SITE PLAN
PROJECT DATA
PARKING ANALYSIS
SUAREZ ARCHITECTS, INC
PROPOSED CAMPUS EXPANSION FOR WESTSIDE RESIDENCE HALL
733 S. HINDRY AVE. INGLEWOOD, CA
A1

ATTACHMENT NO. 1A

LEGAL DESCRIPTION

[Behind this Page]

LEGAL DESCRIPTION

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Lot 45 of the South half of the Northwest Quarter of Section 32, Township 2 South, Range 14 West, San Bernardino Meridian, in the City of Inglewood, County of Los Angeles, State of California, as per Map recorded in Book 36, Pages 3 of Miscellaneous Records, in the Office of the County Recorder of said County.

EXCEPT the North half of said land.

An inspection of said land discloses improvements thereon designated as 725 South Hindry Avenue, Inglewood, California.

Assessor's Parcel Number: **4126-016-002**
Joint Plant Number: **20986-DK**

ATTACHMENT NO. 2

METHOD OF FINANCING

I. Agency Loan of Subsidy Amount

(a) Participant and the Agency acknowledge and agree that due to substantial project costs in the areas of demolition, clearance, site preparation, utilities and facilities, the redevelopment of the Site as contemplated by the Owner Participation Agreement (the "Agreement") would not be feasible in the absence of Participant's agreement to initially pay all such costs and the Agency's agreement to loan certain portions of these costs in an amount of up to Seven Million Four Hundred Thousand Dollars ($7,400,000)(the "Agency Loan") as evidenced by the Promissory Note and the Deed of Trust, attached to the Agreement as Attachments Nos.6 and 7, respectively.

(b) Subject to all of the terms and conditions of the Agreement, the Agency shall loan proceeds in an amount up to the amount of the Agency Loan to Participant to pay certain costs attributable to demolition, clearance, site preparation, public improvements, utilities and various other facilities and/or improvements required to redevelop the Site (the "Reimbursable Work") pursuant to the terms of the Agreement. The Reimbursable Work shall consist of that work specifically set forth in Exhibit 2A, attached hereto and shall be consistent with the Project Budget attached hereto as Exhibit 2B.

II. Maximum Amount of Agency Loan

Under no circumstances shall the Agency's obligation to fund the Reimbursable Work exceed the amount of the Agency Loan or Seven Million Four Hundred Thousand Dollars ($7,400,000), and the Participant acknowledges that the Agency shall be under no obligation to provide proceeds to Participant for any of the Reimbursement Work in excess of the Agency Loan amount. In this regard, it shall be the sole responsibility of the Participant to monitor construction activities to insure that the cost of the Reimbursable Work is consistent with the costs ascribed to such work in the Project Budget.

III. Participant's Warranty

Participant warrants that the title to all wok for which any amount of the Subsidy Amount is used will pass to the Participant no later than the time of payment. The Participant further warrants that upon submittal of an invoice for the payment of Reimbursable Work, all such work previously performed and for which payment has been made, shall, to the best of the Participant's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Project

AGREEMENT NO. _____

THIS AGREEMENT is made and entered into this 1st day of July, 2008 by and between the INGLEWOOD REDEVELOPMENT AGENCY (hereinafter referred to as "Agency") and BERGMAN & DACEY INC., (hereinafter referred to as "Special Counsel,") with its principal place of business located at 10880 Wilshire Boulevard, Suite 900, Los Angeles, CA 90024.

WHEREAS, Agency is engaged in various litigation and transactional matters in which it is wished to be represented by Special Counsel; and

WHEREAS, Agency is desirous of entering into this professional relationship; and

WHEREAS, Special Counsel represents itself to be desirous of providing Agency with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW THEREFORE, in consideration of the premises the parties hereto agree as follows:

Article 1 -- SCOPE OF SERVICES

Special Counsel agrees to render legal services to Agency when and as requested by the Agency Counsel and under his direction.

Legal services to be performed by Special Counsel under this Agreement may include, but are not limited to the rendering of legal advice and consultation; the drafting and preparation of necessary legal documents to effectuate the best interests of Agency, and all appearances required by the court in litigation involving Agency.

Article 2 -- DUTIES OF AGENCY

Agency shall provide Special Counsel with such information as is possessed by Agency and which is normally supplied to attorneys performing such services.

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Article 3 -- RESPONSIBLE ATTORNEY

The parties hereto agree that, unless otherwise specifically designated or agreed to by Agency, Gregory Bergman, Esq., shall be personally responsible for and supervise all matters assigned to and handled by Special Counsel. Special Counsel shall use its discretion in assigning work to attorneys, law clerks, and paralegals in order to handle work under this Agreement in the most efficient and cost effective manner. Agency shall have the right to designate other specific attorneys associated with Special Counsel to handle any particular matter or matters.

Article 4 -- COMPENSATION

Agency agrees to pay Special Counsel, for services faithfully rendered hereunder, at the following rates:

Senior Shareholders ..... $250.00 per hour
Shareholders/Of Counsel ..... $225.00 per hour
Senior Associates ..... $225.00 per hour
Associates ..... $200.00 per hour
Paralegals ..... $115.00 per hour

The total compensation provided for pursuant to this Agreement shall not exceed Fifty Thousand Dollars ($50,000). If additional funds are necessary for the provision of services as authorized pursuant to this Agreement, such additional funds must be approved by the City Council.

In addition to the hourly time charges, Special Counsel shall be reimbursed for expenses actually and necessarily incurred including, but not limited to process server fees, parking fees, photocopying, long distance telephone charges, facsimile communication charges, overnight courier services, postage, travel expenses, filing fees and similar expenses customarily separately billed by Special Counsel to its clients. If such expenses are significant, Special Counsel may arrange for them to be billed directly to Agency, if the expenses were authorized by the City Attorney.

It is understood and agreed that Special Counsel is serving in a limited capacity to Agency and only those services which the Agency Counsel has authorized to be performed shall be compensable hereunder. Special Counsel shall invoice Agency on a monthly basis for all work done and shall specify the number and dates of hours worked during the preceding month. Special Counsel shall certify on each invoice that it is entitled to receive the amounts requisitioned. Each invoice shall be in the form and number of copies requested by Agency.

Payment shall be made as soon as practicable in the ordinary course of Agency business, after Agency has approved the invoice for payment. Special Counsel shall maintain proper records of the hours worked pursuant to this Agreement and such records shall be open at any reasonable time for inspection by Agency.

Article 5 -- INSURANCE REQUIREMENTS

Special Counsel shall provide and maintain, during the term of this Agreement, errors and omissions insurance in the amount of at least $1,000,000.00, as evidenced by a Certificate of Insurance. The Certificate of Insurance shall be filed with Agency upon execution of this Agreement. The Certificate of Insurance shall be reviewed for approval by the Agency Counsel or her designee.

Article 6 -- FINDINGS CONFIDENTIAL

All reports, documents, findings and conclusions, and any and all similar documents prepared or assembled by Special Counsel under this Agreement are confidential. Special Counsel agrees that no documents prepared or assembled by it under this Agreement shall be made available to any individual or organization without prior written approval of Agency, unless required by law.

Article 7 -- NON-ASSIGNABILITY

Special Counsel shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without

prior written approval of Agency.

Article 8 -- NOTICE

Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted, and deposited in the United States mail addressed to the respective parties as follows:

With a Copy to::

Cal P. Saunders, Esq.
Agency Counsel
Inglewood Redevelopment Agency
One Manchester Boulevard, Suite 860
Inglewood, CA 90301-1750

Agency:

Yvonne Horton,
Agency Secretary
One Manchester Boulevard
Inglewood, CA 90301

With a Copy to:

Jesse Lewis, Redevelopment Director
Inglewood Redevelopment Agency
One Manchester Boulevard, Suite 450
Inglewood, CA 90301-1750

Special Counsel:

Gregory Bergman, Esq.
Bergman & Dacey
10880 Wilshire Boulevard
Suite 900
Los Angeles, CA 90024

Article 9 -- EQUAL EMPLOYMENT OPPORTUNITY

Special Counsel agrees that during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, creed, religion, color, sex, sexual orientation, age, disability or national

origin.

Article 10 -- CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modifications to this Agreement shall be effective unless in writing and signed by authorized representatives of the parties hereto.

Article 11 -- TERMINATION

Agency and Special Counsel agree that each shall have the right, at any time, to terminate this Agreement upon written notice to the other party. Any notice of termination shall be given in accord with the requirements of Article 8, herein. Special Counsel, upon receipt of a written notice of termination, shall immediately cease to render additional services to Agency. Such termination shall not, however, relieve Agency of the obligation to pay the fees due for services rendered and costs incurred prior to such termination.

Article 12 -- WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Agency of any work or services by Special Counsel shall not constitute a waiver of any of the provisions of this Agreement.

Article 13 -- GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue shall lie exclusively in the California Superior Court, County of Los Angeles, Southwest Judicial District. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

Article 14 -- SEVERABILITY

In the event that any language, condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

Article 15 -- MISCELLANEOUS

The parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

Article 16 -- FILE MANAGEMENT

Upon closing the file in this matter, Special Counsel will inform the Agency when the appropriate portions of the file may be picked up or, if the Agency approves, destroyed. If the file is not picked up by the Agency or authorized to be destroyed, all writings in the file, as defined by Evidence Code Section 250, will be maintained by Special Counsel for a period of three years after closing the file. Unless otherwise instructed in writing by the Agency, such file will be destroyed three years after the date the file is closed. Special Counsel will not be required to provide further notice to Agency before destroying the file after the three year period has expired.

Article 17 -- ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, Agency and Special Counsel have executed this Agreement as of the date and year first above written.

BERGMAN & DACEY

GREGORY BERGMAN, Esq.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT DORN,
CHAIRPERSON

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS, Esq.
Agency Counsel

N:\JALEWIS\Contracts\(Redevelopment) Bergman and Dacey 2008 (Greg Bergman).doc

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID MB BERGM-1

DATE (MM/DD/YYYY) 07/14/08

PRODUCER

RMI Insurance Services, Inc.
220 Technology Drive, #110
Irvine CA 92618
Phone: 949-701-4800 Fax: 949-701-4801

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Bergman & Dacey, Inc.
10880 Wilshire Blvd, #900
Los Angeles CA 90024

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Great American Insurance Co.	16691
INSURER B:	Landmark American Ins Co	
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurence)	$
		CLAIMS MADE / OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$
		GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC				PRODUCTS - COMP/OP AGG	$
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		OCCUR / CLAIMS MADE				AGGREGATE	$
							$
		DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS / OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					
A		Primary E&O	LPL739-44-30-14	07/15/08	07/15/09	Aggregate	5000000
B		Excess E&O	LHZ809811	07/15/08	07/15/09	Aggregate	5000000

okay
7-15-08

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Proof of Insurance

CERTIFICATE HOLDER

PROOFOF

Proof of Insurance

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Inglewood California

OFFICE OF THE CITY CLERK

Yvonne Horton
CITY CLERK

July 21, 2008

Bergman & Dacey Incorporated
10880 Wilshire Boulevard
Suite 900
Los Angeles, CA 90024
Attn: Gregory Bergman

Dear Mr. Bergman:

Enclosed is the executed copy of Agreement No. R-08-15, *to provide legal representation* to the Inglewood Redevelopment Agency.

Sincerely,

Yvonne Horton
Secretary

mb/
Enclosure

One Manchester Blvd. Inglewood, California 90301 / PO Box 6500 Inglewood, California 90312 (310) 412-5280 / Fax (310) 412-5533

CITY'S ORIGINAL

AGREEMENT NO.: R-09-27

THIS AGREEMENT is made and entered into this 28th day of April, 2009, by and between the INGLEWOOD REDEVELOPMENT Agency (hereinafter referred to as the "Agency") and TIERRA WEST ADVISORS, INC., a California Corporation, with its principal place of business at 2616 East 3rd Street, Los Angeles, California 90033 (hereinafter referred to as "Consultant").

WHEREAS, the Agency has undertaken certain activities pursuant to the California Community Redevelopment Law necessary to the planning and execution of redevelopment projects; and

WHEREAS, the Agency desires to engage Consultant in rendering certain technical advice and assistance on financial matters in connection with such undertakings of the Agency; and

WHEREAS, Consultant has demonstrated that it is capable and qualified to provide such service under this Agreement.

NOW, THEREFORE, in consideration of these premises the parties hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

Consultant, when requested by the Agency, shall confer with and advise the Agency regarding disposition and financial advisory services including but not limited to the following:

1. marketing, financial and disposition issues;
2. participate in discussions and presentations with potential developers and community officials;
3. conduct economic feasibility studies and prepare highest and best use analysis;
4. financial testing of land use and development concepts, including review of projected development cost, income, and financing for private capital;

private capital;

5. alternative financing options for a public private partnership, including funding of public improvements and private investment;

6. structure options for land disposition business terms, including reuse fair market value and reuse value, ground leases, and participating land sales;

7. assist staff and legal counsel in the drafting and preparation of documents, including the Summary Report under Sec. 33433 of the California Redevelopment Law;

8. shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Consultant on demand without cost to the Agency;

9. appear and provide expert testimony on behalf of the Agency, as required, in any legal proceedings.

ARTICLE 2 - DUTIES OF Agency

Agency agrees to provide Consultant with such data and information pertinent to the services to be provided under this Agreement.

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ARTICLE 3 – COMPENSATION

The parties hereto agree that in no event shall payment to Consultant pursuant to this Agreement exceed forty thousand dollars ($40,000.00) and that Consultant shall be paid according to the following fee schedule:

Classification	Rate
Principal/Director	$215/hr
Senior Associate	$180/hr
Associate/Acquisition Agent	$155/hr
Senior Analyst	$135/hr
Analyst	$120/hr
Research Assistant/Real Estate Technician	$100/hr
Word Processor	$70/hr
Clerical	$55/hr
Reimbursables	At Cost

All invoices submitted by Consultant shall contain: (1) date of invoice; (2) sequential invoice number; (3) Agency agreement number; (4) description of services billed under this invoice; (5) total agreement amount; (6) total amount for services, itemization of all reimbursable expenses included in the invoice; (7) total billed (by services and reimbursable expenses) to date; and (8) total amount remaining on agreement. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of Agency and shall certify, on each invoice, that it is entitled to receive the amount invoiced. Agency agrees to pay the undisputed invoice amount within thirty (30) days of receipt of invoice.

Consultant agrees that, should work be performed outside the scope of services without the prior written approval of Agency, such work shall be deemed to be a gratuitous effort on the part of Consultant, and Consultant shall have no claim against the Agency for reimbursement.

ARTICLE 4 - TERM

The term of the Agreement shall be for a period of one year from the date of execution of this Agreement by Agency.

ARTICLE 5 - TERMINATION

Agency may, in its sole and absolute discretion and without cause, terminate this Agreement immediately upon written notice to Consultant. Consultant may terminate this Agreement upon 30 days written notice to Agency. In the event of termination of this Agreement, Consultant shall deliver to Agency all documents, files, records and copies thereof pertaining to any work which may be in progress and Agency shall pay to Consultant an amount which equitably reflects the proportion of work completed by Consultant on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 3 of this Agreement.

ARTICLE 6 - PERSONNEL

The parties hereto agree that, unless otherwise specifically designated or agreed to by Agency, John Yonai, Principal, shall be personally responsible for and supervise all matters assigned to and handled by Consultant. Agency shall have the right to designate or reject the assignment of other employees or Consultants associated with Consultant.

Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. Agency expressly relies on Consultant's representations regarding its skills, knowledge, and certifications. Consultant agrees to perform all work in accordance with generally accepted business practices and performance standards of the industry, including federal, state, and local operation and safety regulations.

ARTICLE 7 - NO AGENCY RELATIONSHIP

No Agency relationship between Agency and Consultant is intended or created by this Agreement. Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Agency, it being expressly understood that the Consultant is at all times a wholly independent Consultant.

ARTICLE 8 - INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: **$1,000,000** per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply

2. Automobile Liability: **$1,000,000** per accident for bodily

injury and property damage

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Errors & Omissions: $1,000,000 per claim.

(a) The "Retro Date" must be shown and must be made before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either; the insurer shall reduce or eliminate such deductibles or self-insured retentions as it relates to the Agency, City of Inglewood and their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Agency guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Agency, the City of Inglewood, and their officers, officials, employees

and volunteers are to be covered as insureds with respect to: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary as respects to the Agency, City of Inglewood, and their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency or the City of Inglewood, their officers, officials, employees or volunteers shall be non-contributing and in excess of the Consultant's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782 (b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Consultant shall furnish the Agency with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Agency or on other than the Agency's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Agency's Counsel before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

ARTICLE 9 - INDEMNIFICATION

Consultant shall indemnify and hold harmless the Agency and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Agency.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from Agency, shall defend Indemnitees at Consultant's expense by counsel acceptable to Agency, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by Consultant under this Article shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

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ARTICLE 10 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

Agency	Consultant
Yvonne Horton, Agency Secretary Office of the City Clerk One Manchester Boulevard Inglewood, California 90301	Tierra West Advisors, Inc. 2616 East 3rd Street Los Angeles, CA 90033 Attn.: John Yonai, Principal
with a copy to: Jesse Lewis Community Development Director Inglewood Redevelopment Agency One Manchester Boulevard, Suite 450 Inglewood, California 90301	Agent for Service of Process Paul K. Smith Smith & Myers LLP 333 South Hope Street, 35th Floor Los Angeles, CA 90071

Contractor further agrees that, during the life of this Agreement or any extension or amendment, it will provide the name and address of its Agent for Service of Process to City within ten (10) calendar days of Contractor's appointment of a different Agent than that listed above.

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Consultant under this Agreement are confidential and Consultant agrees that they shall not be made available to any individual or organization without prior written approval of Agency.

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of Consultant are material considerations for this Agreement. Agency has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of

any of Consultant's duties or obligations under this Agreement without the prior written consent of the Agency Administrator or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling Agency to any and all remedies at law or in equity, including summary termination of this Agreement. Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of Agency.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Consultant and Agency prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any

subsequent breach or violation of any provision of this Agreement. Acceptance by Agency of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 - MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable

from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, Agency and Consultant have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT F. DORN,
Chairman

TIERRA WEST ADVISORS, INC.

JOHN YONAI,
Principal

ATTEST:

YVONNE HORTON,
Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS,
Agency Counsel

N:\AGREEMENTS\IRA\Tierra West Advisors, Inc 11.13.08.doc

TIERWES-01 HIJE

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/6/2009

PRODUCER (888) 825-4322
Bowermaster & Associates
P.O. Box 6026
10805 Holder Street - Suite 350
Cypress, CA 90630

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Tierra West Advisors, Inc.
Tierra West Advisors, LLC
2616 E. 3rd St.
Los Angeles, CA 90033

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: The Hartford Insurance Group	29424
INSURER B: Endurance Workers' Compensation Insura	
INSURER C: Illinois Union Insurance Company	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	72SBANU9848	8/15/2008	8/15/2009	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 300,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000
A		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	72SBANU9848	8/15/2008	8/15/2009	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
		EXCESS/UMBRELLA LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WEN004655001	8/15/2008	8/15/2009	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
		OTHER					
C		Commercial Errors & Omissions	BMI20057921	8/15/2008	8/15/2009	Per Claim & Aggregate	2,000,000
C		Commercial Errors & Omissions	BMI20057921	8/15/2008	8/15/2009	Claims Made Form	Retention: $10,000 each

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

10-day notice of cancellation in the event of non-payment.

The City of Inglewood, its officials, employees and agents are listed as Additional Insured with respects to General Liability per policy form SS00080405.

CERTIFICATE HOLDER

City of Inglewood
One Manchester Blvd., Suite 450
Redvelopment Department
Inglewood, CA 90301-

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph **6.** (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section **C.**, Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. **Additional Insured - Designated Person Or Organization**

   WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

   a. In the performance of your ongoing operations; or

   b. In connection with your premises owned by or rented to you.

2. **Additional Insured - Managers Or Lessors Of Premises**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

   b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

   This insurance does not apply to:

   (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

   (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. **Additional Insured - Grantor Of Franchise**

   WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. **Additional Insured - Lessor Of Leased Equipment**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

   b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. **Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

   b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

   This insurance does not apply to:

   (1) Any "occurrence" that takes place after you cease to lease that land; or

   (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. **Additional Insured - State Or Political Subdivision – Permits**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. The insurance afforded to the vendor is subject to the following additional exclusions:

(1) This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. **Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization**

   a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

      (1) In the performance of your ongoing operations for the additional insured(s); or

      (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

   b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

      (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

      (2) Supervisory, inspection, architectural or engineering activities.

10. **Additional Insured – Co-Owner Of Insured Premises**

    WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

   a. **(1)** Radio;

      (2) Television;

      (3) Billboard;

      (4) Magazine;

      (5) Newspaper;

   b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

   c. Any other publication that is given widespread public distribution.

   However, "advertisement" does not include:

   a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

   b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

   a. Injury;

   b. Sickness; or

   c. Disease

   sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

CITY'S ORIGINAL

AGREEMENT NO.: R-09- 28

THIS AGREEMENT is made and entered into this 28th day of April, 2009, by and between the INGLEWOOD REDEVELOPMENT Agency (hereinafter referred to as the "Agency") and KEYSER MARSTON ASSOCIATES, INC., a California Corporation, with its principal place of business at 500 South Grand Avenue, Suite 1480, Los Angeles, CA (hereinafter referred to as "Consultant").

WHEREAS, the Agency has undertaken certain activities pursuant to the California Community Redevelopment Law necessary to the planning and execution of redevelopment projects; and

WHEREAS, the Agency desires to engage Consultant in rendering certain technical advice and assistance on financial matters in connection with such undertakings of the Agency; and

WHEREAS, Consultant has demonstrated that it is capable and qualified to provide such service under this Agreement.

NOW, THEREFORE, in consideration of these premises the parties hereto agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

Consultant, when requested by the Agency, shall confer with and advise the Agency regarding disposition and financial advisory services including but not limited to the following:

1. marketing, financial and disposition issues;
2. participate in discussions and presentations with potential developers and community officials;
3. conduct economic feasibility studies and prepare highest and best use analysis;

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4. financial testing of land use and development concepts, including review of projected development cost, income, and financing for private capital;
5. alternative financing options for a public private partnership, including funding of public improvements and private investment;
6. structure options for land disposition business terms, including reuse fair market value and reuse value, ground leases, and participating land sales;
7. assist staff and legal counsel in the drafting and preparation of documents, including the Summary Report under Sec. 33433 of the California Redevelopment Law;
8. shall correct any defective work subsequently discovered and all incomplete, inaccurate, or defective work shall be remedied by the Consultant on demand without cost to the Agency;
9. appear and provide expert testimony on behalf of the Agency, as required, in any legal proceedings.

ARTICLE 2 - DUTIES OF AGENCY

Agency agrees to provide Consultant with such data and information pertinent to the services to be provided under this Agreement.

ARTICLE 3 – COMPENSATION

The parties hereto agree that in no event shall payment to Consultant pursuant to this Agreement exceed ninety thousand dollars ($90,000.00) and that Consultant shall be paid according to the fee schedule specified in "Exhibit A."

All invoices submitted by Consultant shall contain: (1) date of invoice; (2) sequential invoice number; (3) Agency agreement number; (4) description of services billed under this invoice; (5) total agreement amount; (6) total amount for services, itemization of all reimbursable expenses included in the invoice; (7) total billed (by services and reimbursable expenses) to date; and (8) total amount

remaining on agreement. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of Agency and shall certify, on each invoice, that it is entitled to receive the amount invoiced. Agency agrees to pay the undisputed invoice amount within thirty (30) days of receipt of invoice.

Consultant agrees that, should work be performed outside the scope of services without the prior written approval of Agency, such work shall be deemed to be a gratuitous effort on the part of Consultant, and Consultant shall have no claim against the Agency for reimbursement.

ARTICLE 4 - TERM

The term of the Agreement shall be for a period of one year from the date of execution of this Agreement by Agency.

ARTICLE 5 - TERMINATION

Agency may, in its sole and absolute discretion and without cause, terminate this Agreement immediately upon written notice to Consultant. Consultant may terminate this Agreement upon 30 days written notice to Agency. In the event of termination of this Agreement, Consultant shall deliver to Agency all documents, files, records and copies thereof pertaining to any work which may be in progress and Agency shall pay to Consultant an amount which equitably reflects the proportion of work completed by Consultant on each assignment, provided that in no event shall the compensation paid pursuant to this paragraph exceed the amount which would have been payable pursuant to Article 3 of this Agreement.

ARTICLE 6 - PERSONNEL

The parties hereto agree that, unless otherwise specifically designated or agreed to by Agency, James Rabe, Senior Principal, shall be personally responsible for and supervise all matters assigned to and handled by Consultant. Agency shall have the right to designate or reject the assignment of other employees or

Consultants associated with Consultant.

Consultant represents and warrants that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified to the extent such licensing or certification is required by law. Agency expressly relies on Consultant's representations regarding its skills, knowledge, and certifications. Consultant agrees to perform all work in accordance with generally accepted business practices and performance standards of the industry, including federal, state, and local operation and safety regulations.

ARTICLE 7 - NO AGENCY RELATIONSHIP

No Agency relationship between Agency and Consultant is intended or created by this Agreement. Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant or employee of the Agency, it being expressly understood that the Consultant is at all times a wholly independent Consultant.

ARTICLE 8 - INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant.

Minimum Scope of Coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001)

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

3. Workers' Compensation insurance as required by the State of

California and Employer's Liability Insurance.

4. Errors and Omissions Liability Insurance appropriate to the consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply

2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Errors & Omissions: $1,000,000 per claim.

(a) The "Retro Date" must be shown and must be made before the date of the contract or beginning of contract work.

(b) Insurance must be maintained and evidence of insurance must be provided for at least five years (5) years after completion of the contract work.

(c) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(d) A copy of the claims reporting requirements must be submitted to the Entity for review.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either; the insurer shall reduce or

eliminate such deductibles or self-insured retentions as it relates to the Agency, City of Inglewood and their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Agency guaranteeing payment of losses and related investigations, claims administration and defense expenses.

Other Insurance Provisions

The automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Agency, the City of Inglewood, and their officers, officials, employees and volunteers are to be covered as insureds with respect to: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary as respects to the Agency, City of Inglewood, and their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency or the City of Inglewood, their officers, officials, employees or volunteers shall be non-contributing and in excess of the Consultant's insurance.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782 (b).

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

Verification of Coverage

Consultant shall furnish the Agency with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Agency or on other than the Agency's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Agency's Counsel before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

ARTICLE 9 - INDEMNIFICATION

Consultant shall indemnify and hold harmless the Agency and its officers, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Agency.

If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from Agency, shall defend Indemnitees at Consultant's expense by counsel acceptable to Agency, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by Consultant under this Article shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE 10 - NOTICES

Any notice given pursuant to this Agreement shall be deemed received and effective when properly addressed, posted and deposited in the United States Mail addressed to the respective parties as follows:

Agency	Consultant
Yvonne Horton, City Clerk	Keyser Marston Associates, Inc.
Office of the City Clerk	500 South Grand Avenue
One Manchester Boulevard	Suite 1480
Inglewood, California 90301	Attn.: James Robe
	Vice President
	Senior Principal

with a copy to:
Jesse Lewis
Community Development Director
Inglewood Redevelopment Agency
One Manchester Boulevard, Suite 450
Inglewood, California 90301

ARTICLE 11 - FINDING CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by Consultant under this Agreement are confidential and Consultant agrees that they shall not be made available to any individual or organization without prior written approval of Agency.

ARTICLE 12 - NON-ASSIGNABILITY

The expertise and experience of Consultant are material considerations for this Agreement. Agency has an interest in the qualifications of and capability of the company which will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the Agency Administrator or his designee. Any attempted unauthorized assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling Agency to any and all remedies at law

or in equity, including summary termination of this Agreement. Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same whether by assignment or novation, without prior written approval of Agency.

ARTICLE 13 - EQUAL EMPLOYMENT OPPORTUNITY

Consultant agrees that during the performance of this Agreement, it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, martial status, ancestry or age.

ARTICLE 14 - CHANGES, AMENDMENTS AND MODIFICATIONS

No changes, amendments or modification to this Agreement shall be effective unless in writing and signed by the parties hereto.

ARTICLE 15 - ENTIRE AGREEMENT

This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Consultant and Agency prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

ARTICLE 16 - WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, not a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Agency of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

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ARTICLE 17 - GOVERNING LAW; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5096. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, Los Angeles Branch.

ARTICLE 18 - MISCELLANEOUS

The parties waive any benefits from the principles of *contra proferentum* and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.

Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

ARTICLE 19 - SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event

the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

IN WITNESS WHEREOF, Agency and Consultant have executed this Agreement as of the date first above written.

INGLEWOOD REDEVELOPMENT AGENCY

ROOSEVELT F. DORN
Chairman

ATTEST:

YVONNE HORTON
Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS
Agency Counsel

KEYSER MARSTON ASSOCIATES, INC.

~~PAUL ANDERSON~~
~~Principal~~
JAMES RABE
Senior Principal
Vice President

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KEYSER MARSTON ASSOCIATES, INC.
PUBLIC SECTOR HOURLY RATES

	2008/2009
A. JERRY KEYSER*	$280.00
MANAGING PRINCIPALS*	$280.00
SENIOR PRINCIPALS*	$270.00
PRINCIPALS*	$250.00
MANAGERS*	$225.00
SENIOR ASSOCIATES	$187.50
ASSOCIATES	$167.50
SENIOR ANALYSTS	$150.00
ANALYSTS	$130.00
TECHNICAL STAFF	$95.00
ADMINISTRATIVE STAFF	$80.00

Directly related job expenses not included in the above rates are: auto mileage, air fares, hotels and motels, meals, car rentals, taxies, telephone calls, delivery, electronic data processing, graphics and printing. Directly related job expenses will be billed at 110% of cost.

Monthly billings for staff time and expenses incurred during the period will be payable within thirty (30) days of invoice date.

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* Rates for individuals in these categories will be increased by 50% for time spent in court testimony.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/10/2008

PRODUCER (415) 957-0600 FAX: (415) 957-0577
: Insurance Services
License No. 0589960
44 Montgomery St., 17th Fl.
San Francisco CA 94104

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Keyser Marston Associates, Inc.
55 Pacific Avenue Mall
San Francisco CA 94111

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Hartford Casualty Ins.Co	29424
INSURER B: Republic Indemnity	22179
INSURER C: National Union Fire Ins.	02351
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	57UUNUP0340	11/11/2008	11/11/2009	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 1,000,000
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS X Ded Comp $1000 X Ded Coll $1000	57UUNUP0340	11/11/2008	11/11/2009	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
A		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE X RETENTION $ 0	57RHUUN9941	11/11/2008	11/11/2009	EACH OCCURRENCE AGGREGATE	$ 4,000,000 $ 4,000,000 $ $ $
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	03954613	11/11/2008	11/11/2009	X WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
C		OTHER Professional Liability-Claims Made	945557975 Retro Date 10/05/1976	11/11/2008	11/11/2009	$1,000,000 Limit $2,000,000 Limit $100,000 Retention	Each Act Aggregate Each Act

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
The City of Inglewood, its officers, officials, employees and volunteers are named as Additional Insureds with respects to the insured's operations. Per endorsement CG 2010 10/01

CERTIFICATE HOLDER

Inglewood Redevelopment Agency
One Manchester Boulevard
Inglewood, CA 90301

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CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Loretta Pearson/LPE

© ACORD CORPORATION 1988

CG 20 10 10 01

Policy Number: 57UUNUP0340 **Effective Date: 11/11/2008**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
SCHEDULE

Name of Person or Organization: The City of Inglewood, its officers, officials, employees and volunteers.

It is understood and agreed that this insurance is primary and any other insurance maintained by the Additional Insured shall be excess only and not contributing with this insurance in regards to all operations as pertains to the named insured.

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement).

A. **Section II – Who is An Insured** is amended to include as an insured, the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insured(s), the following exclusion is added:

2. **Exclusions:**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or behalf of the additional insured(s) at the site of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

AGREEMENT CONTAINING COVENANTS

When Recorded Return to:

INGLEWOOD REDEVELOPMENT
AGENCY
One Manchester Boulevard
Inglewood, CA 90301
Attn: Executive Director

SPACE ABOVE THIS LINE FOR RECORDING USE

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (INCLUDING AFFORDABLE HOUSING RESTRICTIONS)
(AND INCLUDING A RIGHT OF FIRST REFUSAL TO PURCHASE THE SITE)

THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (INCLUDING AFFORDABLE HOUSING RESTRICTIONS) ("**Agreement**") dated for identification purposes only as of June 20, 2011 is entered by and between THE INGLEWOOD REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Agency**"), THE CITY OF INGLEWOOD, a charter city and REGENT 145, L.P., a California limited partnership ("**Participant**").

RECITALS:

A. Agency is responsible for the use of certain low- and moderate-income housing funds pursuant to California's Community Redevelopment Law [*California Health & Safety Code §§33000, et seq.*] ("**Set Aside Funds**").

B. Agency, the City of Inglewood ("**City**") and Participant have entered into that certain Owner Participation Agreement, dated as of June 28, 2001 (the "**OPA**"), concerning Participant's development and operation of that certain real property more particularly described in Exhibit No. 1 attached hereto and incorporated by reference herein (the "**Property**"). The OPA describes the "Project" which generally consists of Participant's development on the Property of a total of one hundred forty-five (145) dwelling units as a rental housing complex. All of the dwelling units, with the exception of two (2) manager's unit are to be restricted to occupancy by Very Low Income, Low Income and Moderate Income Households. The OPA is

6-20-11

hereby incorporated herein by this reference as though fully set forth herein. Any capitalized terms not defined herein shall have the meanings ascribed to such terms in the OPA.

C. Participant has executed that certain promissory note (the "**Residential Note**") dated on or about the date hereof, pursuant to which Agency has provided Participant with a loan of Set Aside Funds in the principal amount of Thirteen Million Nine Hundred Forty Eight Thousand Dollars ($13,948,000). The Residential Note is secured by a Deed of Trust with Assignment of Rents dated on or about the date of the Note, naming Agency as beneficiary ("**Residential Deed of Trust**").

D. Agency and Participant now desire to place restrictions upon the use and operation of the Project, in order to ensure that one hundred forty-three (143) of the dwelling units in the Project shall be operated continuously as affordable housing available for rental to Very Low Income, Low Income and Moderate Income Households in accordance with the terms set forth below for the term of this Agreement.

AGREEMENT

NOW, THEREFORE, the Participant and Agency declare, covenant and agree, by and for themselves, their heirs, executors, administrators and assigns, and all persons claiming under or through them, that the Property, for the term of this agreement, shall be held transferred, encumbered, used, sold, conveyed, leased and occupied, subject to the covenants and restrictions hereinafter set forth:

1. DEFINITIONS.

1.1 Affordable Rent. The term "Affordable Rent" shall have the appropriate meaning set forth in California Health and Safety Code Section 50053(b) as it may be amended from time to time, which, as of the date hereof, means monthly rent, including a reasonable utility allowance, that does not exceed the following respective amounts, which shall be adjusted annually:

(a) for a Very Low Income Household, one-twelfth of the product of thirty percent (30%) times fifty percent (50%) of the Area Median Income adjusted for family size appropriate for the unit, as determined by the California Department of Housing and Community Development ("HCD");

(b) for a Low Income Household, one-twelfth of the product of thirty percent (30%) times sixty percent (60%) of the Area Median Income adjusted for family size appropriate for the unit, as determined by HCD, which Participant may adjust upon each annual income verification and recertification for any Low Income Household with an annual income that exceeds sixty percent (60%) but does not exceed eighty percent (80%) of Area Median Income, to an amount that does not exceed thirty percent (30%) of the actual income of the household; and

(c) for a Moderate Income Household, one-twelfth of the product of thirty percent (30%) times one hundred ten percent (110%) of the Area Median Income adjusted for family size appropriate for the unit as determined by HCD, which Participant may adjust upon each annual income verification and recertification for any Moderate Income Household with an annual income that exceeds one hundred ten percent (110%) but does not exceed one hundred twenty percent (120%) of Area Median Income, to an amount that does not exceed thirty percent (30%) of the actual income of the household.

Participant may charge rents that do not exceed the lowest of the following, to the extent they are applicable: (a) an Affordable Rent, as set forth above; (b) the applicable maximum rent allowed to be charged pursuant to the Four Percent Tax Credit requirements, for so long as such requirements are applicable; and (c) for the Moderate Income Units only, the applicable maximum rent allowed to be charged pursuant to the HOME Loan Program, for so long as such requirements are applicable.
As used in this definition of "Affordable Rent" the phrase "adjusted for household size appropriate to the unit" means a household size equal to the number of bedrooms in the unit plus one. Affordable Rent shall include a reasonable utility allowance for tenant-paid utilities based on the Los Angeles County Housing Authority's published utility schedules.

1.2 Area Median Income. The term "**Area Median Income**" shall mean the area median income of Los Angeles County, with adjustments for household size, as estimated annually by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 as amended and published by California's Housing and Community Development Department pursuant to Health and Safety Code section 50093.

1.3 Eligible Tenant. The term "**Eligible Tenant**" shall mean any person entitled to rent a Very Low Income Unit, a Low Income Unit or a Moderate Income Unit as set forth in this Agreement.

1.4 Low Income Household. The term "**Low Income Household**" shall have the meaning given to "lower income households" in Health and Safety Code section 50079.5(a), generally being a household whose income does not exceed 80% of the Area Median Income adjusted for family size.

1.5 Low Income Units. The term "**Low Income Units**" shall mean the one (1) studio, twenty-three (23) one-bedroom, sixty-eight (68) two-bedroom and five (5) three-bedroom rental dwelling units in the Project restricted to occupancy by Low Income Households. The term "Low Income Unit" shall mean each of the Low Income Units.

1.6 Moderate Income Household. The term "**Moderate Income Household**" shall have the meaning given to "moderate income households" in Health and Safety Code

section 50093, generally being a household whose income does not exceed 120% of the Area Median Income adjusted for family size.

1.7 Moderate Income Units. The term "**Moderate Income Units**" shall mean the seven (7) one-bedroom, fifteen (15) two-bedroom and two (2) three-bedroom rental dwelling units in the Project restricted to occupancy by Moderate Income Households. The term "Moderate Income Unit" shall mean each of the Moderate Income Units.

1.8 Very Low Income Household. The term "**Very Low Income Household**" shall have the meaning given to "very low income households" in Health and Safety Code section 50105(a), generally being a household whose income does not exceed 50% of the Area Median Income adjusted for family size.

1.9 Very Low Income Units. The term "**Very Low Income Units**" shall mean the six (6) one-bedroom and sixteen (16) two-bedroom rental dwelling units in the Project restricted to occupancy by Very Low Income Households. The term "Very Low Income Unit" shall mean each of the Very Low Income Units.

1.10 Restricted Unit. The term "**Restricted Unit**" shall mean each of the Very Low Income, Low Income and Moderate Income Units.

1.11 Transfer. The term "**Transfer**" shall mean:

(i) the sale, agreement to sell, transfer or conveyance of the Property, the Project, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment sale contract or similar instrument affecting all or a portion of the Property or Project, the lease of all or substantially all of the Property or Project, except as provided in subparagraph (iii) below, or the appointment of a receiver or trustee to operate or exercise direct or indirect control over any portion of or interest in the Project or to operate or exercise direct or indirect control over any interest in any general partner or member of Participant or any general partner or member of a general partner or member of Participant.

(ii) "Transfer" shall also include the transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of any interest in Participant or any general partner or member of Participant or of any general partner or member of a general partner or member of Participant, or any conversion of Participant to an entity form other than that of Participant at the time of execution of this Agreement, except that, a cumulative change in ownership interest of any general partner of the Participant of forty-nine percent (49%) or less shall not be deemed a "Transfer" for purposes of this Agreement.

(iii) Without limiting the foregoing, "Transfers" shall be "Permitted Transfers":

(A) a conveyance of a security interest to the beneficiary of the Senior Deed of Trust or the conveyance of title to the Property or Project in connection with a foreclosure, a deed in lieu of foreclosure or similar conversion of such loan;

(B) (1) A conveyance of the Project to a limited partnership in which the administrative general partner is Participant or Participant's Administrative General Partner, or a sale back from such partnership to Participant or Participant's Administrative General Partner.

(2) The substitution of a General Partner (as defined in Participant's Limted Partnership Agreement) as directed by the Investor Limited Partner in accordance with the terms of the Limited Partnership Agreement, subject to the following terms and conditions. The Investor Limited Partner may substitute the Special Limited Partner (or another reasonably acceptable Affiliate of Investor Limited Partner) (the "**Interim General Partner**") on an interim basis for a period reasonably calculated to identify and admit into the partnership a new General Partner, as set forth below (the "**Substitute General Partner**"). The Substitute General Partner must be an entity reasonably acceptable to the Agency, which approval shall not be unreasonably withheld, conditioned or delayed.

(C) Any refinancing that repays any portion of the Senior Loan (referred to herein as a "**Take-out Loan**"), if the amount and repayment terms of the Take-out Loan do not materially impair the Participant's ability to repay the Residential Loan and the HOME Loan (if approved by the Inglewood City Council),

(D) The leasing for occupancy of all or any part of the Property or Project in accordance with this Agreement and the Agreement Containing Covenants.

(E) The inclusion of equity participation by Participant by transfer or addition of limited partners to the Participant or similar mechanism; provided that such transfer, addition or other mechanism shall not involve any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

(F) The sale, transfer, or pledge of any partnership interest in the Participant by a General Partner to the Investor Limited Partner as security for the performance of all of the General Partner's obligations under the Limited Partnership Agreement

(G) The, sale, transfer or pledge of any partnership interest in the Participant by a General Partner to the beneficiary of the Senior Deed of Trust of the General Partner's interest in the Participant, as security for the performance of all of the General Partner's obligations under the Construction Loan Documents.

(H) The sale, transfer or pledge of any limited partnership interest in the Participant or of any partnership interest or limited liability company interest in the Investor Limited Partner or the Special Limited Partner; provided that such sale, transfer or pledge shall not be to any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

(I) Any dilution of the General Partner's interest in the Participant in accordance with the Limited Partnership Agreement.

(J) A Transfer in accordance with Section 206(b) of the OPA.

2. TERM OF AGREEMENT; PRIORITY OF AGREEMENT; USE OF PROPERTY. As required by California *Health and Safety Code* Section 33334.3, this Agreement shall commence upon its execution and shall remain in effect for the longest feasible period but not less than the period terminating fifty-five (55) years following the date on which a Release of Construction Covenants is recorded for the Project. This Agreement shall remain in effect throughout its full term, notwithstanding the payment in full of the Residential Loan. This Agreement is secured by the Residential Deed of Trust and Participant shall not be entitled to a reconveyance of the Residential Deed of Trust prior to the prior to payment in full of the Residential Loan. This Agreement shall unconditionally be and remain at all times prior and superior to the lien created by the Senior Deed of Trust and any other of the Senior Loan Documents and all of the terms and conditions contained in the Senior Loan Documents and to the lien of any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan. Participant hereby agrees that the Restricted Units in the Project are to be owned, managed, and operated as affordable housing for Eligible Tenants for the term of this Agreement. To that end, and for the term of this Agreement, the Participant hereby represents, covenants, warrants and agrees as follows:

2.1 Schedule. The Project activities shall be accomplished within the time provided in the Schedule of Performance, which is attached to the OPA.

2.2 Tasks and Budget. The Project Costs are indicated in the Project Budget attached to the OPA. The Set Aside Funds shall be used exclusively for development of the Project.

2.3 Construction Covenant. Participant hereby covenants and agrees on behalf of itself and its successors and assigns in the Property or any portion thereof or any improvements thereon or any interest therein that Participant and such successors and assigns shall develop the Project in accordance with the OPA (including but not limited to the Scope of Development), the Amended and Restated Redevelopment Plan for the Merged Inglewood Redevelopment Project, this Agreement, and plans approved by the Agency and the City as each may be changed or modified from time to time.

2.4 Facilities. All of the Units in the Project shall contain facilities adequate for living, sleeping, eating, cooking and sanitation in accordance with all applicable federal, state and local laws and codes. The construction and maintenance of the Units shall comply with the City's building code and all other applicable local codes, building standards, ordinances and zoning ordinances in effect, and the Units shall be decent, safe and sanitary and shall conform to the building, electrical, plumbing, mechanical and energy codes that have been adopted by the City. To the extent applicable, the Project shall comply with the accessibility

requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and, if applicable, the design and construction requirements at 24 CFR 100.205 for covered multifamily dwellings, as defined at 24 CFR 100.201, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

2.5 Residential Use. None of the Residential Units in the Project will at any time be utilized on a transient basis or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, or trailer court or park, or any other use that is inconsistent or incompatible with this Agreement.

2.6 Conversion of Units. No part of the Project will at any time be owned by a cooperative housing corporation nor shall the Participant take any steps in connection with the conversion to such ownership or uses to condominiums, or to any other form of ownership.

2.7 Tenant Preference. All of the Restricted Units will be made available to Eligible Tenants for rental in accordance with the terms of this Agreement, and the Participant shall not give preference to any particular class or group in renting those Units, except to the extent that the Restricted Units are required to be leased or rented to Eligible Tenants and except as provided in Section 3.6 below.

2.8 Tenant Protections. Participant shall comply with the following tenant protections:

a. The lease of a Restricted Unit must be for not less than six (6) months, unless by mutual agreement between tenant and Participant and if such shorter term is consistent with applicable tax credit regulations.

b. The lease of a Restricted Unit may not contain any of the following provisions:

(1) Agreement by the tenant to admit guilt or to a judgment in favor of Participant in a lawsuit brought in connection with the lease;

(2) Agreement by the tenant that the Participant may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Unit after the tenant has moved out of the Unit. The Participant may dispose of this personal property in accordance with state law.

(3) Agreement by the tenant not to hold the Participant or the Participant's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) Agreement by the tenant that the Participant may institute a lawsuit without notice to the tenant;

(5) Agreement by the tenant that the Participant may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) Agreement by the tenant to waive any right to a trial by jury;

(7) Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

(8) Agreement by the tenant to pay attorney's fees or other legal costs if the tenant wins in a court proceeding by the Participant against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Participant shall adhere to a fair lease and grievance procedure approved by the Agency.

2.9 Termination of Tenancy. Participant, its successors or assigns, may not terminate the tenancy or refuse to renew the lease of a tenant of a Restricted Unit, except (i) for serious or repeated violation of the terms and conditions of the lease; (ii) for violation of applicable federal, state, or local law; (iii) violation of occupancy rules as described in Section 3 below; or (iv) for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the Participant's service upon the tenant of a written notice specifying the grounds for the action, provided, however, Participant may use a shorter notice period to the extent allowed by applicable law and if reasonably necessary to protect the health and/or safety of the Project and/or any Project tenants.

3. OCCUPANCY OF RESTRICTED UNITS BY ELIGIBLE TENANTS. Participant hereby represents, warrants, and covenants as follows:

3.1 Income Restrictions. Except as expressly provided herein, throughout the term of this Agreement, the Restricted Units shall be rented only to, and occupied only by, Eligible Tenants.

3.2 Rental Rates. Participant shall rent the Restricted Units to Eligible Tenants at no more than the allowable Affordable Rents for a household size appropriate to the unit, which is the number of bedrooms plus one. The rental rates for the Restricted Units shall be adjusted annually based upon annual updates of the applicable income and rent standards, including but not limited to updates published by the California Housing and Community Development Department. In no event shall any of the Restricted Units be rented at a rate greater than the applicable Affordable Rent. Failure to comply with the affordability requirements of this Agreement is an event of default under the terms of the Residential Loan. Subject to the right to cure, the Residential Loan will be due and payable immediately if the

Restricted Units do not meet the requirements of this Agreement. For the term of the Four Percent Tax Credits, in no case shall the rent charged to a household exceed applicable Tax Credit limits.

3.3 Occupancy By Eligible Tenant. If at any time a Restricted Unit tenant's household income increases, resulting in disqualification of such tenant as a Very Low Income, Low Income or Moderate Income Household, as applicable, such tenant shall have a period of ninety (90) days to relocate from the Property. The disqualified tenant shall be fully responsible for the costs and expenses related to the relocation. Should such tenant face extraordinary hardship in relocating from the Property, the tenant may submit a written appeal to the Agency requesting an extension of the time period within which the tenant must relocate. If the Agency's Executive Director determines in his or her sole discretion that a hardship exception is justified by the circumstances, he or she may extend the relocation period for up to a maximum of ninety (90) additional days.

The provisions set forth in this Section 3.3 shall apply only to the extent such provisions are not in conflict with any applicable federal or state law, any regulatory agreement affecting the Project that is recorded in superior priority to this Agreement, or any rule or regulation governing or related to the Four Percent Tax Credits. Participant may comply with more restrictive or different occupancy and tenant qualification requirements than as set forth herein if necessary to retain or maximize the Project's eligibility for Four Percent Tax Credits.

3.4 Maximum Occupancy. The maximum number of persons residing in a Unit may not exceed the maximum occupancy standards of the City. Participant shall be responsible for enforcing this maximum occupancy limit. Upon discovery of a violation of this Section 3.4, Participant shall immediately notify the tenant of record in writing ("**Occupancy Violation Notice**"). In the Occupancy Violation Notice, Participant shall inform the tenant of the occupancy violation and provide the tenant with an opportunity to cure the violation within thirty (30) days from the date of the Notice.

3.5 Income Computation. Prior to a prospective tenant's occupancy of a Restricted Unit, Participant shall obtain and maintain on file an income computation and certification form from such prospective tenant dated immediately prior to the date of initial occupancy of a Restricted Unit by such prospective tenant. Participant shall verify that the income information provided by an applicant is accurate by following all applicable Agency policies and procedures and by taking one or more of the following steps as a part of the verification process: (i) obtain two (2) pay stubs from the most recent pay periods; (ii) obtain a written verification of income and employment from applicant's current employer; (iii) obtain an income verification form from the Social Security Administration and/or California Department of Social Services if the applicant receives assistance from either agency; (iv) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other verification of such applicant's income as is reasonably satisfactory; or (v) obtain such other information as may be reasonably required. Participant shall update the foregoing records annually and shall provide copies of updated tenant eligibility records and monthly rental records relating to the

Restricted Units to the Agency for review. Health and Safety Code Section 33418(b) requires the Agency to adequately fund its compliance monitoring activities and authorizes the Agency to impose fees upon the owners of properties monitored pursuant to Section 33418 to defray the cost of complying with the Agency's monitoring and reporting obligations. Therefore, Participant agrees that, commencing upon the Completion of the Project and continuing throughout the term of this Agreement, Participant will pay to the Agency an annual monitoring fee in the amount set forth in the definition of "Annual Operating Expenses" in the Agency Note. Upon review of records submitted to it, the Agency may at its option perform an independent audit of the tenant eligibility records in order to verify compliance with the income and affordability requirements set forth herein. Costs for such an audit performed by the Agency shall be an expense of the Agency. Participant shall retain the records described in this Section for a period of five (5) years after the date the respective records were created.

3.6 Rental Priority. Subject to Participant's policies and procedures for screening potential tenants, which must be approved by the Agency, and to the extent allowed under applicable affordable housing program restrictions and applicable laws, including but not limited to Fair Housing laws and regulations, the Restricted Units shall be marketed and rented according to the following priorities, as such units become available for occupancy:

a. Participant shall give first priority in renting the Restricted Units to Eligible Tenants who have been displaced by activities of the City or the Agency, pursuant to California Health & Safety Code Section 33411.3.

b. Participant shall, to the extent permitted by applicable law, direct its marketing and advertising efforts to the following categories of potential Eligible Tenants:

(i) Eligible Tenants who are employees of the City and the Inglewood School District;

(ii) Eligible Tenants who are employed on a permanent, full-time basis in the City of Inglewood; and

(iii) Eligible Tenants who are listed on the Agency's Rental Assistance Program (RAP) Waiting List or the City's Section 8 waiting list.

Except as otherwise set forth above, Restricted Units shall be rented to Eligible Tenants on a first-come, first-served basis; provided, however, that Participant shall maintain an "interest list" or "eligibility list" of potential tenants. The marketing and rental priority provisions set forth in this Section 3.6 shall apply only to the extent such provisions are not in conflict with any applicable federal or state law (including, without limitation, Fair Housing laws and regulations), any regulatory agreement affecting the Project that is recorded in superior priority to this Agreement or any rule or regulation governing or related to the Four Percent Tax Credits.

3.7 Maintenance of Records. Participant shall maintain complete and accurate records pertaining to the Restricted Units, and shall permit any duly authorized representative of the Agency, upon at least three (3) days prior written notice, to inspect, during normal business hours, the books and records of Participant pertaining to the Project including, but not limited to, those records pertaining to tenant eligibility and occupancy of the Restricted Units. Records pertaining to the Project and the Restricted Units shall be retained for a period of five (5) years after the termination of this Agreement.

To assist the Agency in meeting its reporting requirements under California's Community Redevelopment Law, Participant shall prepare, maintain and submit to the Agency the following records and reports:

a. Records which demonstrate that the Property meets the affordability and income targeting requirements of California Health and Safety Code Sections 50079.5, 50093 and 50053 for the duration of this Agreement. Records shall be kept for each family occupying a Restricted Unit;

b. Records which demonstrate that each lease complies with the tenant and participant protections, as specified in Section 2.8 of this Agreement. Records shall be kept for each family occupying a Restricted Unit;

c. Equal opportunity and fair housing records;

d. Documentation of the Participant's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services; and

e. Documentation of the actions the Participant has taken to affirmatively further fair housing.

Participant shall retain all books and records relevant to the OPA for a minimum of five years after the project completion date, except that records of individual tenant income verifications, project rents and project inspections shall be retained for the most recent five year period until five years after the affordability period terminates, or until the conclusion or resolution of any and all audits or litigation relevant to the OPA, whichever is later. The Agency and its representatives shall have the right of access to any pertinent books, documents, papers or other records of the Participant, in order to make audits, examinations, excerpts and transcripts.

3.8 Reliance on Tenant Representations: Each tenant lease shall contain a provision to the effect that Participant has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of a Restricted Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease.

4. MAINTENANCE

4.1 Maintenance Covenant.

a. Participant agrees to maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition), reasonable wear and tear excepted, and in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction. In addition, Participant shall keep the Property free from all graffiti and any accumulation of debris or waste material. Participant shall make all repairs and replacements necessary to keep the improvements in good condition and repair, including regularly scheduled treatments to maintain the aesthetic appearance of exterior building materials, and shall promptly eliminate all graffiti and replace dead and diseased plants and landscaping with comparable materials. The maintenance covenant contained in this Section shall remain in effect for the term of this Agreement.

b. The Project shall comply with the lead-based paint standards in 24 C.F.R. §92.355.

4.2 Agency Rights. The Agency shall have the right to enter upon the Property to inspect the Property and both the interiors and exteriors of the Units, upon seventy-two (72) hours notice to Participant, except in the event of an emergency. The Agency may, but is not obligated to, perform or cause to be performed the maintenance necessary to cure any default of these maintenance covenants and Participant shall be liable for payment of reasonable costs to perform such required maintenance; provided, however, that Participant first be given written notice of the actions required to cure any default, and Participant, after receipt of such notice, shall have thirty (30) days to cure such defaults, but Participant shall not be deemed in default of the foregoing maintenance covenant if such default cannot reasonably be cured within the thirty (30) day period referenced above so long as Participant has commenced to cure such default within the same thirty (30) day period and is diligently proceeding with the work to cure such default. Notwithstanding the foregoing, if any property conditions are reasonably identified by the Agency that pose an immediate danger to life or limb, Participant shall have three (3) business days to effect corrections of such condition(s) to the Agency's reasonable satisfaction.

4.3 Annual & Bi-Annual Reports. Participant covenants and agrees to submit to the Agency an annual report (the "**Annual Report**"), which shall include the information required by Section 3.5 of this Agreement and by *California Health & Safety Code* Section 33418. The Annual Report shall include for each Restricted Unit the rental rate and the income and family size of the occupants, and shall also include the records described in Section 3.5 herein and the financial statements required by Section 402 of the OPA. The income information shall be supplied by the tenant in a certified statement on a form provided by the Agency. The Participant shall submit the Annual Report on or before April 30 of the year following the year

covered by the Annual Report. The Participant shall provide for the submission of household information and certification in its leases with tenants.

Beginning on the date of first occupancy, and for each fiscal year thereafter during the term of this Agreement, Participant shall also submit on a quarterly basis a report for the management of the Property (the "**Quarterly Report**"). The Quarterly Report shall include a profit and loss statement, budget to date figures, and occupancy report and shall clearly show project revenues, operating expenses, and deposits to and withdrawals from the Project's Capital Reserve Account. The Quarterly Report shall be in a form that is reasonably acceptable to the Agency Executive Director. The Agency Executive Director, in his/her sole discretion may waive the requirement of the Quarterly Report for one or more reporting periods. However, such waiver shall not operate to waive any subsequent requirement of the Quarterly Report for the Restricted Period. After receipt of such Quarterly Report for the Project, the Agency may request additional financial analyses or obtain a third party review at the Agency's own expense, of financial statements for the Project to verify the accuracy of the payments by Participant on the Agency Note or the required deposits into the Capital Reserve Account. If the Agency's review of Participant's Quarterly Report reveals material errors in the calculation of the payments by Participant on the Agency Note or reveals that the required deposits into the Capital Reserve Account have not been made, then Participant shall reimburse the Agency for its cost of conducting the financial analyses or obtaining a third party review.

4.4 Management Plan. Within the time set forth in the Schedule of Performance attached to the OPA, Participant shall prepare and submit to the Agency for approval a management plan in accordance with the following ("**Management Plan**"):

a. The Management Plan, including such amendments as may be approved in writing by the Agency, shall remain in effect for the term of this Agreement. Participant shall not amend the Management Plan or any of its components without the prior written consent of the Agency. The components of the Management Plan shall include:

(1) Management Agent. The name and qualifications of the proposed management agent for the Project (the "**Management Agent**"), which may include but shall not be limited to Pacific West Management company. The Agency shall approve or disapprove the proposed Management Agent, if other than Pacific West Management Company, in writing based on the experience and qualifications of the Management Agent.

(2) Management Program. A description of the proposed management, maintenance, tenant selection and occupancy policies and procedures for the Restricted Units, which shall include procedures to assure that advertising of the Restricted Units will reach a broad cross-section of Inglewood residents.

(3) Management Agreement. A copy of the proposed management agreement specifying the amount of the management fee and the relationship and division of responsibilities between Participant and management agent.

(4) Tenant Lease or Rental Agreement. A copy of the proposed tenant lease or rental agreement to be used in renting the Restricted Units.

(5) Annual Operating Budget. Within the time set forth in the Schedule of Performance attached to the OPA and annually thereafter not later than fifteen (15) days prior to the beginning of the next fiscal or calendar year of the Project, Participant shall submit to the Agency an estimated annual budget for management of the Property and the Project (the "Annual Project Budget") in accordance with the Management Plan. The Annual Project Budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amounts required for insurance and all other expenses incident to the operation of the Project; and shall show the expected revenues to pay such expenses, including annual debt service requirements and reserve fund deposits and balances. The Annual Project Budget, including any amendments proposed by the Participant, shall be subject to the approval of the Agency which shall not be unreasonably withheld, conditioned or delayed. The Agency shall have thirty (30) days after receipt to approve or disapprove the Annual Project Budget. If the Agency fails to approve or disapprove the Annual Project Budget within such thirty (30) days, Participant shall have the right to continue to operate the Project in accordance with the most recently approved Annual Project Budget, adjusted only to the extent of changes in the consumer price index for the Los Angeles area. If the Agency disapproves the Annual Project Budget, Agency shall give written notice to Participant, including a reasonably detailed explanation for disapproval. Upon receipt of such notice, Participant shall promptly revise the Annual Project Budget to address the reasons for disapproval, and until Agency approval of the revised Annual Project Budget, Participant shall continue to operate the Project in accordance with the most recently approved Annual Project Budget with such changes specifically approved by the Agency. Notwithstanding the foregoing, if, after Agency approval, any Senior Lender has approved the Annual Project Budget, the Agency shall not have the right to request modifications, unless a material error has occurred in the Annual Project Budget.

(6) Social Services Program. A description of the proposed social services to be provided to the tenants, including the proposed scheduling of any classes or programs that will be offered on a regular basis, a description of any selection criteria for determining who will be eligible to receive the services, and a description of the proposed staffing level and qualifications of the providers of the services.

b. Participant's agreement with the Management Agent shall provide that it is subject to termination by Participant without penalty, upon thirty (30) days prior written notice. Participant hereby covenants and agrees that, if the Agency determines in its reasonable judgment that the Project is not being operated and managed in accordance with the Management Plan, the Agency may deliver notice to the Participant of the Agency's determination that the Project's management practices do not conform to the Management Plan (the "**Agency Notice**"), including a reasonably detailed explanation of such non-conformance. The Agency and

Participant shall meet and confer in good faith to identify actions to be taken by Participant to bring its management practices into conformance with the Management Plan, which could include replacing the Management Agent. Participant shall have thirty (30) days after receipt of the Agency Notice (or such longer time as may be granted by the Agency) to either change its management practices to conform to the Management Plan or replace the Management Agent with a Management Agent approved by the Agency. The Participant shall promptly notify the Agency upon learning that there is a change in the management or control of the Management Agent, and, if the change is unsatisfactory to the Agency, the Agency shall be entitled to require the Participant to replace the Management Agent in accordance with the terms of this paragraph.

5. DEFAULT; ENFORCEMENT If the Participant defaults in the performance or observance of any covenant, agreement or obligation of the Participant set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after notice thereof shall have been given by the Agency to the Participant, then the Agency shall declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 30 days, such default shall not constitute an Event of Default hereunder so long as the Participant institutes corrective action within said thirty (30) days and diligently pursues such action until the default is corrected.

Following the declaration of an Event of Default hereunder, the Agency may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

(i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Participant to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Participant pertaining to the Project; and

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Participant hereunder, including acceleration of the Agency Note and exercise of the Agency's power of sale under the Agency Deed of Trust.

The Participant hereby agrees that specific enforcement of the Participant's agreements contained herein is the only means by which the Agency may fully obtain the benefits of this Agreement made by the Participant herein, and the Participant therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Participant hereunder. Provided however, the rights and remedies of the Agency are cumulative, and the exercise by the Agency of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Participant.

6. NONDISCRIMINATION. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, age, class, income (other than as required by applicable regulatory agreements), religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any part thereof, or in the awarding of contracts for the Project, nor shall participant, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property, or any part thereof, or in the awarding of contracts for the Project (except as permitted by this Agreement). Participant shall comply with all applicable federal, state and local nondiscrimination, fair housing, and equal opportunity requirements.

6.1 Form of Nondiscrimination and Nonsegregation Clauses. The Participant shall refrain from restricting the rental, sale or lease of the property on the basis of race, color, creed, age, class, income (other than as required by applicable regulatory agreements), religion, sex, sexual orientation, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

c. In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

7. COVENANTS TO RUN WITH THE LAND. Participant hereby subjects the Property to the covenants, reservations, and restrictions set forth in this Agreement. Agency and Participant hereby declare their express intent that all such covenants, reservations, and restrictions shall be deemed covenants running with the land and shall pass to and be binding upon the Participant's successors in title to the Property; provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire, except the nondiscrimination covenants contained in Section 6 and Section 6.1 shall remain in perpetuity. All covenants without regard to technical classification or designation shall be binding for the benefit of the City and the Agency, and such covenants shall run in favor of the City and Agency for the entire term of this Agreement, without regard to whether the City or Agency is or remains an owner of any land or interest therein to which such covenants relate.

8. ATTORNEYS' FEES. In the event that any action, suit or other proceeding is brought to enforce the obligations of under this Agreement, each party shall bear its own costs and expenses of suit, including attorneys' fees, expert witness fees and all costs incurred in each and every such action, suit or other proceeding, including any and all appeals or petitions therefrom.

9. AMENDMENTS. This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the Official Records of the County of Los Angeles, State of California.

10. NOTICE. Any notice required to be given hereunder shall be made in writing and shall be given by (i) personal delivery, (ii) courier service that provides a receipt showing date and time of delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

If to Participant:

Regent 145, L.P.
c/o Chandler Partners
4116 W. Magnolia Boulevard, Suite 203
Burbank, California 91505
Attn: Dan Chandler

And

Foundation for Affordable Housing V, Inc.
30950 Rancho Viejo Road, Suite 100
San Juan Capistrano, California 92675
Attn: Deborrah A. Willard, President

And

Alliant Capital, Ltd.
340 Royal Poinciana Way, Suite 305
Palm Beach, Florida 33480
Attn: Brian Goldberg

And

Alliant Asset Management Company LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attn: Tony Palaigos, Esq.

With a copy to (which shall not constitute notice to Participant):
Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Attn: Sheldon Chernove, Esq.

If to Agency:

Inglewood Redevelopment Agency
One Manchester Boulevard
Inglewood, CA 90301
Attn: Executive Director

With a copy to:

City Attorney's Office/Agency General Counsel
City of Inglewood
One Manchester Boulevard
Inglewood, CA 90301
Attn: Cal P. Saunders, Esq.

And a copy to (shall not constitute notice to Participant):

Kane, Ballmer & Berkman/Agency Special Counsel
515 S. Figueroa St., Suite 1850
Los Angeles, California 90071
Attn: Royce K. Jones, Esq.

If to City:

City of Inglewood
One Manchester Boulevard
Inglewood, CA 90301
Attn: City Administrator

With a copy to:

City Attorney's Office
City of Inglewood
One Manchester Boulevard
Inglewood, CA 90301
Attn: Cal P. Saunders, Esq

And a copy to (shall not constitute notice to the Agency):

Kane, Ballmer & Berkman/City Special Counsel
515 S. Figueroa St., Suite 1850
Los Angeles, California 90071
Attn: Royce K. Jones, Esq.

Notices personally delivered or delivered by courier shall be effective upon receipt. Mailed notices shall be effective on the earlier of receipt or Noon on the second business day following deposit in the United States mail.

11. SEVERABILITY/WAIVER/INTEGRATION.

11.1 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

11.2 Waiver. A waiver by either party of the performance of any covenant or condition herein shall not invalidate this Agreement nor shall it be considered a waiver of any other covenants or conditions, nor shall the delay or forbearance by either party in exercising any remedy or right be considered a waiver of, or an estoppel against, the later exercise of such remedy or right.

11.3 Integration. This Agreement contains the entire Agreement between the parties and neither party relies on any warranty or representation not contained in this Agreement.

12. GOVERNING LAW. This Agreement shall be governed by the internal laws of the State of California without regard to the principles of conflicts of laws.

13. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall constitute one original and all of which shall be one and the same instrument. This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

14. TRANSFER OF THE PROJECT.

14.1. The qualifications and identity of Participant are of particular concern to the Agency. It is because of those qualifications and identity that the Agency has entered into the OPA with Participant. No voluntary or involuntary successor in interest of Participant shall acquire any rights or powers with respect to the Project except as expressly set forth herein.

14.2. Except for a Permitted Transfer, Participant agrees that Participant shall not sell the Project during the term of this Agreement, unless and until Participant has given to the Agency notice in writing of its intent to sell, specifying the identity of the prospective buyer and the price and terms of the contemplated sale (the "Participant's Notice"), and Agency fails to exercise its right to purchase the Property, including the Project, as provided in this Section 14.2. The Agency, in its sole discretion, may exercise its right to purchase the Property,by taking the following steps: (i) within thirty (30) days after receipt of Participant's Notice (the "Notice Period") , give written notice to Participant ("Agency Notice of Intent") that it intends to exercise its right to purchase the Site at the same price and on the same terms as set forth in the Participant's Notice; and (ii) within sixty (60) days after delivery of the Agency Notice of Intent, deposit in escrow with any escrow company in Los Angeles County, California, all moneys and instruments required by the terms of the Participant's Notice to be paid or delivered to Participant on close of escrow and shall also give Participant written notice of the deposit. Upon the exercise of its right ot purchase the Site,, the Agency shall,either (A) pay in full all amounts due and payable to the Senior Lender necessary to release the Property from the lien of the Senior Deed of Trust, or (B) subject to the approval of the Senior Lender, arrange for the assumption of the Senior Loan by Agency . If the Agency does not exercise the right in accordance with the provisions of this Section, Participant may sell the Property to the prospective buyer for the price and on the terms contained in the Participant's Notice; provided, however, that Participant shall: (1) make every reasonable effort to sell the Site to another person or entity with comparable experience and reputation as that of Participant in the field of low-income housing (including the management of properties with income and affordability restrictions); and (2) obtain the advance written approval of the Agency (which approval shall not be unreasonably withheld) of the prospective buyer; and (3) complete and close the subject sale of the Site to the prospective buyer within ninety (90) days following the expiration of the Notice Period (the "Closing Period") in the event the Agency does not timely elect to exercise its purchase right to the Site in accordance with the provisions contained in the Participant's Notice. However, in the event that the closing has not occurred within the Closing Period or the terms of

the proposed sale are changed from the terms provided in the Participant's Notice, then the Participant (as applicable) shall either offer to the Agency any such sales proposal to or by a prospective buyer occurring outside the Closing Period, or make the modified proposed offer available to the Agency in accordance with the right of purchase requirements of this paragraph b.

14.3. Moreover, and notwithstanding any provision to the contrary contained in this Agreement, Participant shall not enter into any agreement to sell or transfer ownership of the Site, or any part thereof, that would result in payment of consideration to any person or entity, unless such payment is conditioned upon the issuance of the Release of Construction Covenants

14.4. For the reasons cited above, the Participant represents and agrees for itself and any successor in interest that, except for changes necessitated by a Permitted Transfer, without the prior written approval of the Agency (not to be unreasonably withheld, conditioned or delayed), there shall be no significant change in the ownership of the Participant or in the relative proportions thereof, or with respect to the identity of the parties in control of the Participant or the degree thereof, by any method or means.

14.5. The Participant shall promptly notify the Agency of any and all changes whatsoever in the identity of the parties in ownership and/or in control of the Participant or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. The Agency may exercise any and all available remedies if there is any significant change (voluntary or involuntary) in membership, ownership, management or control, of the Participant or any general partner of the Participant (other than such changes occasioned by the death or incapacity of any individual, or necessitated by a Permitted Transfer) without the prior written consent of the Agency, except that periodic, routine changes in board membership that cumulatively affect less than 50% of the membership of the board shall not be considered a "significant change".

14.6. Except with respect to a Permitted Transfer, Participant shall not assign or attempt to assign the OPA or any right therein, nor make any Transfer, without prior written approval of the Agency Executive Director, which approval shall not be unreasonably withheld, conditioned or delayed, except as expressly permitted by this Agreement. Any proposed transferee shall have the qualifications and financial responsibility necessary and adequate as may be reasonably determined by the Agency to fulfill the obligations undertaken in this Agreement by the Participant. Any such proposed transferee, by instrument in writing satisfactory to the Agency and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the Agency shall expressly assume all of the obligations of the Participant under the OPA and agree to be subject to all conditions and restrictions applicable to the Participant in the OPA. There shall be submitted to the Agency for review all instruments and other legal documents proposed to affect any such Transfer, and if approved by the Agency, its approval shall be indicated to the Participant in writing.

14.7. In the absence of specific written agreement by the Agency, no Transfer, or approval thereof by the Agency, shall be deemed to relieve the Participant or any other party from any obligations under the OPA or this Agreement.

14.8. Consent to any Transfer shall not be deemed to be a waiver of the right to require consent to future or successive Transfers.

15. LIMITATION ON LIABILITY. Each obligation of the Participant under this Agreement is a nonrecourse obligation of the Participant and Participant's partners. Except as provided otherwise in this Agreement, neither the Participant nor any of its general or limited partners, nor any other party, shall have any personal liability for payment of obligations to the Agency. The sole recourse of the Agency shall be the exercise of its rights against the Property and the Project and any related security for the Residential Loan.

Notwithstanding the foregoing, the Agency may obtain a judgment or order (including, without limitation, an injunction) requiring Participant or any other party to perform (or refrain from) specified acts; may proceed against any person or entity whatsoever with respect to the enforcement of any guarantees, surety bonds, letters of credit, reimbursement agreements or similar rights to payment or performance; and may recover directly from Participant or any other party:

(a) any damages, costs and expenses incurred by Agency as a result of fraud or any criminal act or acts of Participant or any partner, shareholder, officer, director or employee (acting within the scope of his or her employment) of Participant or of any of Participant's general partners;

(b) any damages, costs and expenses incurred by Agency as a result of any misappropriation of funds provided for the development of the Project, as described in the OPA, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds;

(c) any and all amounts owing by Participant pursuant to Participant's indemnification regarding Hazardous Substances; and

(d) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Agency and Participant have executed this Agreement Containing Covenants by duly authorized representatives on the date first written hereinabove.

"DEVELOPER"
REGENCY 145, L.P.,
a California limited partnership

By: Foundation for Affordable Housing V, Inc., a California non-profit public benefit corporation, Its Managing General Partner

By: _____
Deborrah A. Willard, President

By: Inglewood Regent Square LLC, a California limited liability company
Its: Administrative General Partner

By: _____
Dan Chandler, President

"AGENCY"
INGLEWOOD REDEVELOPMENT AGENCY,
a public body corporate and politic

By: _____
James T. Butts, Jr.
Chairman

ATTEST:

By: Cheryl Moore, Deputy
for: Yvonne Horton
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS
Agency General Counsel

By: _____
Cal P. Saunders

KANE, BALLMER & BERKMAN
Agency Special Counsel

By: _____
Royce K. Jones

6-20-11

State of California)
)
County of Los Angeles)

On 6/29/11, 2011 before me, Tunisia Johnson (here insert name of the officer), Notary Public, personally appeared James T. Butts, Jr., who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 of Notary Public

[Seal]

TUNISIA JOHNSON
Commission # 1815748
Notary Public - California
Los Angeles County
My Comm. Expires Oct 3, 2012

State of California)
)
County of Los Angeles)

On _____, 2011 before me, _____(here insert name of the officer), Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 of Notary Public

[Seal]

CALIFORNIA ACKNOWLEDGEMENT

State of California
County of Los Angeles)

On June 28, 2011 before me, Ana Margarita Peralta Notary Public
(insert name and title of the officer)

personally appeared Deborrah A. Willard,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 Ana Margarita Peralta (Seal)

ANA MARGARITA PERALTA
COMM. #1854996
Notary Public•California
Los Angeles County
Comm. Expires Jun 20, 2013

CALIFORNIA ACKNOWLEDGEMENT

State of California
County of Los Angeles)

On June 28, 2011 before me, Ana Margarita Peralta Notary Public
(insert name and title of the officer)

personally appeared Dan Chandler,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 Ana Margarita Peralta (Seal)

ANA MARGARITA PERALTA
COMM. #1854996
Notary Public • California
Los Angeles County
Comm. Expires Jun 20, 2013

EXHIBIT NO 1

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:
LOTS 10, 11, 12, 13, 14, 15, 16, 17, 18, 19,20,23,24 AND 25 (TOGETHER WITH EASTERLY 20 FEET OF OAK STREET, VACATED BY ORDINANCE NO. 852 OF SAID CITY ADJOINING LOTS 23, 24 AND 25 ON THE WEST) OF TRACT 696, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 9, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 15, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 15 AND EXTENDING SOUTH ON THE EAST LINE OF SAID LOT TO THE SOUTHEAST CORNER THEREOF; THENCE WEST 25 FEET ON THE SOUTHERLY LINE OF SAID LOT; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID REDONDO BOULEVARD, FORMERLY LOS ANGELES STREET; THENCE NORTHEASTERLY ON REDONDO BOULEVARD TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LOTS 15 AND 16 OF SAID LAND, GRANTED TO THE CITY OF INGLEWOOD, BY DEED RECORDED NOVEMBER 08, 1961, AS INSTRUMENT NO. 96 IN BOOK D-1408 PAGE 734, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:
LOTS 21 AND 22 IN BLOCK 208 OF THE TOWNSITE OF INGLEWOOD, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGLES, STATE OF CALIFORNIA, TOGETHER WITH THE EASTERLY 20 FEET OF OAK STREET, VACATED BY ORDINANCE NO. 852 OF SAID CITY. ADJOINING LOTS 21 AND 22 OF THE WEST COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 34, PAGES 19 THROUGH 36 INCLUSIVE OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL WATER IN OR UNDER SAID LAND.

APN: 4018-007-049

California Regional Water Quality Control Board
Los Angeles Region

Linda S. Adams.
Cal/EPA Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: http://www.waterboards.ca.gov/losangeles

Arnold Schwarzenegger
Governor

November 10, 2010

FILE COPY

NOV 15 2010

Ms. Margarita Cruz
Redevelopment Manager
Inglewood Redevelopment Agency
One W. Manchester Boulevard
P.O. Box 6500
Inglewood, California 90312

SITE CLEANUP PROGRAM OVERSIGHT COST REIMBURSEMENT ACCOUNT – GLASGOW PROPERTY, 315 GLASGOW AVENUE, INGLEWOOD, CALIFORNIA 90301 (SCP NO. 0746)

Dear Ms. Cruz:

The California Regional Water Quality Control Board (Regional Board), Los Angeles Region, is the state regulatory agency responsible for the protection of groundwater and surface water quality for all beneficial uses within major portions of the Los Angeles and Ventura Counties, including the referenced site.

Based on the information submitted, a 750-gallon waste oil concrete underground storage tank (UST) was removed from the site in 1990. The soil confirmation sampling results indicated that soil beneath and in the immediate vicinity of the former UST was contaminated with petroleum hydrocarbons and volatile organic compounds. Trichloroethylene was detected in soil samples at concentrations up to 2,450 micrograms per kilogram (µg/kg) at approximately 25 feet below ground surface (bgs) and 570 µg/kg at approximately 82 feet bgs. Based on the groundwater data collected from the site vicinity, depth to groundwater is approximately 95 feet bgs at the site. The unauthorized releases of chemicals from the former waste oil UST and other suspected sources at the site have impacted soil and potentially degraded the groundwater quality and beneficial uses of the State's waters.

It is our understanding that City of Inglewood is the current property owner and plans to redevelop the site for commercial use – a new automobile center. Section 13304 of the California Water Code (Porter Cologne Act) allows the Regional Board to recover reasonable expenses from a responsible party or parties for overseeing the investigation and cleanup of unregulated discharges adversely affecting the State's waters. In compliance with Section 13365 of the California Water Code, this letter is being sent to provide you the following information regarding costs for regulatory oversight work.

Estimate of Work to be Performed

The Regional Board staff estimates that during the Regional Board's 2010/2011 fiscal year (July 1, 2010 to June 30, 2011), regulatory oversight work may include, but not limited to, the following tasks to be performed for the site:

1. Review environmental reports and determine if the contamination sources and plumes are fully delineated vertically and laterally;
2. Request and review of additional assessment workplans and reports, detailed remediation design and installation plan, progress and monitoring reports, risk assessment workplans and reports, and other technical reports as necessary;
3. Preparation of comment letters on various reports and communicate findings to responsible parties;

4. Conduct site inspections, collect split samples, and meetings with environmental consultant and responsible parties; and
5. Conduct internal and external communications (i.e. meetings, memos) about the site.

Statement of Expected Outcome

The expected outcome of work that will be performed includes providing written comments on the submitted reports and workplans, verifying the adequacy of reports, and determining the need to further investigate the impact to soil and groundwater as well as risk to human health and environment.

Billing Rates

Attached are the Site Cleanup Program, Monthly Salary Scales by Job Classification (Attachment 1) for employees expected to perform the work and the Reimbursement Process for Regulatory Oversight (Attachment 2). The names and classifications of employees that charge time to this site will be listed on the invoices. The average billing rate is about $150.00 per hour.

Estimation of Expected Charges

A. Regional Board staff expects to charge about 300 hours for work related to this site during fiscal year 2010/2011. Based on the average billing rate of $150.00 per hour, the estimated billing charge by the Regional Board staff for this site during this fiscal year is about $45,000, which does not include possible contract charges stated in B (below). **Please note that this is neither a commitment nor a contract for regulatory oversight. It is only an estimate of the work, which may be performed.**

B. To better evaluate the potential health risk from the detected or residual contaminants posed to the current/future occupants of the site and the immediate site vicinity, the Regional Board has established a contract with the State Office of Environmental Health Hazard Assessment (OEHHA), to have their toxicologists review the submitted health risk assessment reports. OEHHA will review, evaluate if appropriate, and provide comments on risk assessment reports. When requested, OEHHA toxicologists will provide the Regional Board consultation services on issues concerning human health and/or environmental risks.

   Under the Cost Recovery Program, the responsible party (parties) is (are) required to reimburse the Regional Board for the cost incurred by OEHHA review. Occurred charges by OEHHA staff will be included in our invoices under the contract charges category. All quarterly invoices generated for this project will be sent to your provided billing contact by the Site Cleanup Program (SCP), State Water Resources Control Board.

Landowner Notification and Participation Requirements

Pursuant to Division 7 of the Porter Cologne Water Quality Control Act under section 13307.1, the Regional Board is required to notify all current fee title holders for the subject site prior to considering corrective action or granting case closure. Therefore, you are required to provide the name, mailing address and telephone number for all record fee title holders for the site together with a copy of county record of current ownership, available from the County Recorder's Office, or complete the attached Certification Declaration Form (Attachment 3) and submit it to our office.

Please sign and return the enclosed landowner's information (Attachment 3) and "Acknowledgment of Receipt of Cost Reimbursement Account Letter" (Attachment 4) to Ms. Su Han of the Regional Board by **December 10, 2010.**

Other Requirements

I. Change of Ownership

You must notify the Executive Officer, in writing at least 30 days in advance of any proposed transfer of this cost reimbursement account's responsibility to a new owner containing a specific date for the transfer. In addition, you shall notify the succeeding owner of the existence of this cost reimbursement account by letter, copy of which shall be forwarded to the Board.

II. Public Participation

With increased public interest in our programs and the public knowledge of threat to human health and the environment, the Regional Boards are increasing our effort in getting the public more involved in our decision making process. The Regional Boards are also required to involve the public in site cleanup decisions under State law (including Health & Safety Code section 25356.1). You may be required to prepare and implement a public participation plan. Regional Board staff will provide you with additional guidance as appropriate.

III. Electronic Submittals

On July 1, 2005, the Regional Board informed each responsible party of new regulations requiring the electronic submittal of information (ESI), which went into effect on January 1, 2005, in addition to the paper copies that the Regional Board may be required (Attachment 5). Please note that some of the website links listed in Attachment 5 may have changed. Currently all of the information on electronic submittals and Geotracker contacts can be found at http://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/.

If you have any questions, please contact Su Han, Site Cleanup I Unit Chief, at (213) 576-6735 or shan@waterboards.ca.gov.

Sincerely,

AEO for

Samuel Unger, PE
Executive Officer

Attachments:
1. Monthly Salary Scales by Job Classification
2. Reimbursement Process for Regulatory Oversight
3. Certification Declaration Form
4. Acknowledgment of Receipt of Cost Reimbursement Account Letter
5. New Regulations – Electronic Submittal of Information

Attachment 1

SITE CLEANUP PROGRAM (SCP)
BILLING COST EXPLANATION

Employee Salary and Benefits by Classification [1]	ABR	SALARY SCALE
Associate Governmental Program Analyst	AGPA	5,852 – 7,113
Engineering Geologist	EG	9,213 – 11,201
Environmental Scientist	ES	4,092 - 7,596
Office Assistant (G)	OA	2,758 - 3,684
Office Assistant (T)	OA	2,850 – 3,759
Office Technician (G)	OT	3,509 - 4,268
Office Technician (T)	OT	3,572 - 4,341
Principal Water Resources Control Engineer	PWRCE	13,090 - 14,434
Sanitary Engineering Associate	SEA	6,597 - 8,016
Sanitary Engineering Technician	SET	4,543 - 6,339
Senior Engineering, Water Resources	SWRCE	9,811 – 13,090
Senior Engineering Geologist	SEG	10,802 – 13,127
Senior Environmental Scientist	SRES	7,248 - 8,749
Senior Water Resources Control Engineer	SRWRCE	10,802 - 13,127
Staff Counsel	STCOUN	6,216 – 10,411
Staff Counsel III	STCOUNIII	10,217 – 12,606
Staff Counsel IV	STCOUNIV	11,286 – 13,934
Staff Environmental Scientist	SES	7,242 - 8,745
Student Assistant	SA	2,663 - 2,938
Student Assistant Engineer	SAE	2,663 - 3,985
Supervising Engineering Geologist	SUEG	10,769 - 13,090
Supervising Water Resources Control Engineer	SUWRCE	10,769 – 13,090
Water Resources Control Engineer	WRCE	7,883 - 11,144

Operating Expenses and Equipment [2] (both Headquarters and Regional Board offices)

Indirect Costs (Overhead – cost of doing business) 135%

Billing Example

Water Resources Control Engineer		
Salary:	$	11,144
Overhead (indirect costs):	$	15,044
Total Cost per month	$	26,188.

Divided by 176 hours per month equals per hour: $ 148.80
(Due to the various classifications that expend SCP resources. An average of $ 150.00 per hour can be used for projection purposes.)

[1] The name and classification of employees performing oversight work will be listed on the invoice you receive.
[2] The examples are estimates based on recent billings. Actual charges may be slightly higher or lower.

ATTACHMENT 2

REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT

We have identified your facility or property as requiring regulatory cleanup oversight. Pursuant to the Porter-Cologne Water Quality Control Act, reasonable costs for such oversight can be recovered by the Regional Water Quality Control Board (RWQCB) from the responsible party. The purpose of the enclosure is to explain the oversight billing process structure.

INTRODUCTION

The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board (SWRCB) to set up Cost Recovery Programs. The Budget Act of 1993 authorized the SWRCB to establish a Cost Recovery Program for Site Cleanup Program (SCP). The program is set up so that reasonable expenses incurred by the SWRCB and RWQCBs in overseeing cleanup of illegal discharges, contaminated properties, and other unregulated releases adversely impacting the State's waters can be reimbursed by the responsible party. Reasonable expenses will be billed to responsible parties and collected by the Fee Coordinator at the SWRCB in the Division of Financial Assistance (DFA).

THE BILLING SYSTEM

Each cost recovery account has a unique Site ID number assigned to it. Whenever any oversight work is done, the hours are entered into the SCP Cost Recovery/daily logs database. The cost of the staff hours is calculated by the State Accounting System based on the employee's salary and benefit rate and the SWRCB overhead rate.

SWRCB and RWQCB Administrative charges for work such as accounting, billing preparation, general program meetings and program specific training cannot be charged directly to an account. This work will be charged to Administrative accounting codes one per Region. The Accounting Office totals these administrative charges for the billing period and distributes them back to all of the accounts based on the number of hours charged to each account during that billing period. These charges show as State Board Program Administrative Charges and Regional Board Program Administrative Charges on the Invoice.

The current billing period charges will include associated labor costs, risk assessment contract charges, overhead charges, SWRCB/DFA Administrative charges, and RWQCB Administrative charges. The overhead charges are based on the number of labor hours charged to the account. The overhead charges consist of rent, utilities, travel, supplies, training, and accounting services. Most of these charges are paid in arrears. The Accounting Office keeps track of these charges and distributes them back monthly to only those accounts having Labor hours charged to them for the period being billed. No site will be billed for overhead during a billing period unless Labor hours have been posted to the RWQCB employee's daily logs residing in the SCP Cost Recovery database.

Invoices are issued quarterly, one quarter in arrears. If a balance is owed, a check is to be remitted to the SWRCB with the invoice remittance stub within 30 days after receipt of the invoice. The Fee Coordinator inputs a record of all checks received directly or by the Accounting Office on a daily basis.

Copies of the invoices are sent to the appropriate RWQCBs so that they are aware of the oversight work invoiced. Questions regarding the work performed should be directed toward your RWQCB case worker.

DISPUTE RESOLUTION

If a dispute regarding oversight charges cannot be resolved with the RWQCB, Section 13320 of the California Water Code provides a process whereby persons may petition the SWRCB for review of RWQCB decisions. Regulations implementing Water Code Section 13320 are found in the Title 23 of the California Code of Regulations, Section 2050.

DAILY LOGS

A detailed description (daily log) of the actual work being done at each specific site is kept by each employee in the Regional Water Board who works on the cleanup oversight at the property. This information is provided on the quarterly invoice using standardized work activity codes to describe the work performed. *Upon request, a more detailed description of the work performed is available from the RWQCB staff.*

REMOVAL FROM THE BILLING SYSTEM

After the cleanup is complete, the RWQCB will submit a closure form to the SWRCB to close the account. If a balance is due, the Fee Coordinator will send a final billing for the balance owed. The responsible party should then submit a check to the SWRCB to close the account.

AGREEMENT

No cleanup oversight will be performed unless the responsible party of the property has agreed in writing to reimburse the State for appropriate cleanup oversight costs and submitted to the RP. You may wish to consult an attorney in this matter. As soon as the letter is received, the account will be added to the active Site Cleanup program Cost Recovery billing list and oversight work will begin.

California Regional Water Quality Control Board
Los Angeles Region

Linda S. Adams.
Cal/EPA Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: http://www.waterboards.ca.gov/losangeles

Arnold Schwarzenegger
Governor

ATTACHMENT 3

CERTIFICATION DECLARATION FOR COMPLIANCE WITH FEE TITLE HOLDER NOTIFICATION REQUIREMENTS (California Water Code Section 13307.1)

Please Print or Type

Fee Title Holder(s): Inglewood Redevelopment Agency

Mailing Address: One Manchester Boulevard, Ste. 450 Inglewood,

Contact Person: Margarita Cruz

Telephone Number / Fax Number: (310) 412-5290 / (310) 412-5680

Site Name: _____

Address: 315 S. Glasgow Avenue, Inglewood, CA 90301

County Assessor Identification (Parcel) Number (AIN): 4126-008-908

Contact Person: Chris Cain

Telephone Number / Fax Number: (310) 412-5290 / (310) 412-5680

File Number: SCP No. 0746

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations." (See attached page for who shall sign the Certification Declaration).

Mark F. Weinberg
Printed Name of Person Signing

Executive Director
Official Title

Signature

12/9/2010
Date Signed

The certification declaration form must be signed as follows:

1. For a corporation - by a responsible corporate officer, which means; (i) by a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy of decision making functions for the corporation, or (ii) the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding $25 million, if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

2. For a partnership or sole proprietorship – by a general partner or the proprietor respectively.

3. For a municipality, state, federal, or public agency - by either a principal executive officer or ranking elected official. A principal executive officer of a federal agency includes (i) the chief executive officer of the agency or (ii) a senior executive officer having responsibility for the overall operations or a principal geographic unit.

California Regional Water Quality Control Board
Los Angeles Region

Linda S. Adams
Cal/EPA Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: http://www.waterboards.ca.gov/losangeles

Arnold Schwarzenegger
Governor

ATTACHMENT 4

ACKNOWLEDGEMENT OF RECEIPT OF
OVERSIGHT COST REIMBURSEMENT ACCOUNT LETTER

I, Mark Weinberg, acting within the authority vested in me as an authorized representative of The Inglewood Redevelopment Agency, a corporation, acknowledge that I have received and read a copy of the attached *REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT* and the cover letter dated **November 10, 2010,** concerning cost reimbursement for Regional Board staff costs involved with oversight of cleanup and abatement efforts at **Glasgow Property in Los Angeles County.** The address for the site is 315 Glasgow Avenue, Inglewood, CA 90301, and its Los Angeles County Assessor's Parcel Number is/are 4126-008-908.

I understand the reimbursement process and billing procedures as explained in the letter. Our company is willing to participate in the cost recovery program and pay all subsequent billings in accordance with the terms in your letter and its attachments, *and to the extent required by law.* I also understand that signing this form does not constitute any admission of liability, but rather only an intent to pay for costs associated with oversight, *as set forth above, and to the extent required by law.* Billings for payment of oversight costs should be mailed to the following individual and address:

BILLING COMPANY Inglewood Redevelopment Agency

BILLING CONTACT Margarita Cruz

BILLING ADDRESS One Manchester Blvd. Ste. 450, Inglewood, CA 90301

TELEPHONE NO. (310) 412-5290 **E-Mail** mcruz@cityofinglewood.org

RESPONSIBLE PARTY'S SIGNATURE _____ **(Signature)**

Executive Director **(Title)**

DATE: 12/8/10

SCP NO. 0746	SITE ID NO.

California Regional Water Quality Control Board

Los Angeles Region

Recipient of the 2001 *Environmental Leadership Award* from Keep California Beautiful

Alan C. Lloyd, Ph.D.
Agency Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: http://www.waterboards.ca.gov/losangeles

Arnold Schwarzenegger
Governor

ATTACHMENT 5

July 1, 2005

Notice to Interested Parties

NEW REGULATIONS - ELECTRONIC SUBMITTAL OF INFORMATION

The State Water Resources Control Board (State Water Board) recently adopted regulations requiring the electronic submittal of information (ESI), over the internet, for cleanup programs overseen by the California Regional Water Quality Control Boards (Regional Water Boards), starting January 1, 2005.

Parties responsible for cleanup of pollution at sites overseen by the Regional Water Board's Department of Defense (DoD), Spills, Leaks, Investigations, and Cleanups Program (SLIC), and Land Disposal Programs are required to submit over the internet, the following information electronically:

- groundwater analytical data,
- surveyed locations of monitoring wells,
- boring logs describing monitoring well construction, and.
- portable data format (PDF) copies of all reports.

The text of the regulations is attached, and can be found at the following URL:

http://www.waterboards.ca.gov/ust/cleanup/electronic_reporting/docs/final_electronic_regs_dec04.pdf

The State Water Board GeoTracker data management system is capable of accepting this electronic information. GeoTracker is a geographic information system providing online access to environmental and regulatory data. Currently, Geotracker has information submitted by responsible parties for over 10,000 Leaking Underground Storage Tank sites statewide. This information is available to the public at:

http://www.geotracker.swrcb.ca.gov

Beginning July 1, 2005, a paper copy of reports will no longer be required for the DoD, SLIC, or Land Disposal Programs upon submittal of the electronic copy unless the Regional Water Board specifically requires the paper copy to be submitted. The electronic reports are intended to replace the need for a paper report, and will be used for all public information requests, regulatory review, and compliance/enforcement activities.

The Regional Water Board does not have the resources to acquire hardware to allow caseworkers to appropriately review documents in electronic form. Therefore, for the foreseeable future, we request that you continue to submit hard copies of all documents and data submittals.

You will need a GeoTracker password for submitting data and reports. To obtain instructions for receiving a GeoTracker password please go to our ESI website:

http://www.swrcb.ca.gov/ust/cleanup/electronic_reporting/index.html

Our ESI website has an on-line tutorial to aid your transition to electronic data and reporting submittal. You can access information on how to upload electronic data at the following ESI website:

http://www.swrcb.ca.gov/ust/cleanup/electronic_reporting/docs/ab2886_primer.pdf

If you have any questions or need additional information on reporting electronic data, please contact Hamid Foolad at: hfoolad@waterboards.ca.gov.

Training and Outreach

User outreach meetings will be arranged in both Northern and Southern California based upon demand. The GeoTracker system will be announcing future sessions to all regulators, consultants and responsible parties who hold a GeoTracker password.

Approved for Agenda

Cherishing Our Past - Embracing Our Future

CITY OF INGLEWOOD

One W. Manchester Boulevard Inglewood, CA 90301-1750

inglewood100.com

OFFICE OF THE CITY ADMINISTRATOR

July 1, 2008

TO: **INGLEWOOD REDEVELOPMENT AGENCY**

FROM: **AGENCY COUNSEL**

SUBJECT: **BERGMAN AND DACEY, INC.**

RECOMMENDATION

It is recommended that the Redevelopment Agency approve an Agreement with Bergman and Dacey, Inc. for legal representation to the Inglewood Redevelopment Agency (Redevelopment Agency Funds).

DISCUSSION

The Inglewood Redevelopment Agency is engaged in various litigation and transactional matters in which it needs representation by Special Counsel. Bergman and Dacey has been providing legal advice to the City since October, 2005 and is an experienced Redevelopment firm.

It is recommended that $50,000 be encumbered to provide compensation for new cases which may be assigned to this firm.

R-1

FISCAL IMPACT

Funds for the Agreement are budgeted under Account Code 160-030-3040-4830 (Community Development-Redevelopment Funds-Contract Services).

LEGAL REVIEW

This report has been submitted by the City Attorney's Office.

Attachment: Agreement

N:\STAFF REPORT\(Redevelopment) - Bergman and Dacey.doc

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 21, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Approval of Agreement with Lidgard and Associates for Real Property Appraisal Services**

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency"), approve the attached two-year agreement for real property appraisal services with Lidgard and Associates in the amount of $60,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Lidgard and Associates conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each. Lidgard and Associates has provided satisfactory appraisal services to both the City and Agency over the past seven years.

- **Statement of Options**
The Inglewood Redevelopment Agency has the following options:

A) Continue utilizing the services of Lidgard and Associates. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

B) Discontinue the use of appraisal services by Lidgard and Associates. Discontinuing the services of Lidgard and Associates could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals.

R-2

Lidgard and Associates has worked for the City and Agency for the past several years and staff has found their work to be of good quality. The response to the appraisal needs of the Agency is performed in an efficient and timely manner. Over the past year, the firm has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. The attached Agreement is for a two-year term in an amount not to exceed $60,000.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Ninety percent of the available funds for the existing contract in the amount of $60,000 have been expended. The allocation of $60,000 would allow for the continuation of services

  Funds in the amount of $60,000 for the Agreement are available under account code 160-030-3040-4830 (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval by the Agency to facilitate the preparation of real property appraisals on an as needed basis.

4. **Previous Council Action:**
   On June 19, 2007, the Mayor and City Council Members approved a two-year agreement for appraisal services with Lidgard and Associates in the amount of $60,000.

5. **Substantiation of Recommendations:**
   Lidgard and Associates provides land value and market value studies, appraisal updates and supplemental appraisal reports. Based upon the volume of existing and future appraisals needed, the funds in the existing contract will be exhausted prior to the expiration of the contract. In order to ensure continued services, staff is requesting the Redevelopment Agency approve the attached two-year agreement.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Lidgard and Associates and the Agency

7. **Legal Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: April 21, 2009

TO: Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Approval of Agreement with Integra Realty Resources for Real Property Appraisal Services

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency"), approve the attached two-year agreement for real property appraisal services with Integra Realty Resources in the amount of $30,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Integra Realty Resources conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

On March 24, 2008, staff issued a Request for Qualifications (RFQ) for Appraisal Services. The RFQ was distributed to fourteen (14) qualified appraisal firms. Four (4) appraisal firms submitted responses to the RFQ. The responding firms were Goeppner and Associates; Integra Realty Resources; Norris Realty Advisors; and Hampstead Appraisal Company. The firms were invited to meet with staff to discuss their background and experience. Staff evaluated the consultant's based on a rating sheet which ranked the consultants based upon their qualifications, technical expertise, and previous projects and conducting interviews. The two (2) appraisal firms selected as finalists were Goeppner and Associates and Integra Realty Resources.

Integra Realty Resources has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. Integra Realty Resources is also experienced in specialty property types including auto dealerships, restaurants, bowling alleys, gas stations, churches, food processing facilities and parking structures. In addition, the firm is fully abreast of the required state laws

R-4

relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

- **Statement of Options**
  The Inglewood Redevelopment Agency has the following options:

  A) Approve the consulting contract for appraisal services with Integra Realty Resources. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and will advise the Agency, in writing, of its opinion of the fair market value of each property.

  B) Do not approve of the consulting contract for appraisal services with Integra Realty Resources. Disapproving the contract with Integra Realty Resources could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals conducted by Agency staff.

  C) Re-issue a Request for Qualifications (RFQ) for appraisal services. The entire process, starting with the issuance of an RFQ to finally selecting an appraiser can potentially take four (4) to five (5) months.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 160-030-3040-4830 ($30,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval of the Agency Members in order to obtain appraisal services on an as needed basis.

4. **Previous Council and Agency Action:**
   No previous Agency action.

5. **Substantiation of Recommendations:**
   Integra Realty Resources conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value will advise the Agency, in writing, of its opinion of the fair market value of each. The firm has demonstrated its expertise and ability to perform a broad range of real estate

services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. Integra Realty Resources is also experienced in specialty property types including auto dealerships, restaurants, bowling alleys, gas stations, churches, food processing facilities, and parking structures. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Integra Realty Resources and the Agency.
   Attachment 2: RFQ
   Attachment 3: Ranking Sheet

7. **Legal Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 21, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Approval of Agreement with Goeppner and Associates for Real Property Appraisal Services**

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1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency (Agency), approve the attached two-year agreement for real property appraisal services with Goeppner and Associates in the amount of $30,000 ("Redevelopment Fund").

2. **Background Information:**
The Agency has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the Agency requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process. Goeppner and Associates conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the Agency, in writing, of its opinion of the fair market value of each.

On March 24, 2008, staff issued a Request for Qualifications (RFQ) for Appraisal Services. The RFQ was distributed to fourteen (14) qualified appraisal firms. Four (4) appraisal firms submitted responses to the RFQ. The responding firms were Goeppner and Associates; Integra Realty Resources; Norris Realty Advisors; and Hampstead Appraisal Company. The firms were invited to meet with staff to discuss their background and experience. Staff evaluated the consultant's based on a rating sheet which ranked the consultants based upon their qualifications, technical expertise, and previous projects and conducting interviews. The two (2) appraisal firms selected as finalists were Goeppner and Associates and Integra Realty Resources.

Goeppner and Associates has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in

R-3

southern California. The firm has represented various local governments in regards to eminent domain including the City of Garden Grove, County of Riverside, City of Bell Gardens, City of Fullerton and the City of Carson, just to name a few. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the appraisal process in a timely and expeditious manner.

- **Statement of Options**
  The Inglewood Redevelopment Agency has the following options:

  A) Approve the consulting contract for appraisal services with Goeppner and Associates. The firm conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and will advise the Agency, in writing, of its opinion of the fair market value of each property.

  B) Do not approve the consulting contract for appraisal services with Goeppner and Associates. Disapproving of the services with Integra Realty Resources could potentially cause delays in obtaining appraisals for Agency acquisitions and limit the number of market and land value appraisals conducted by Agency staff.

  C) Re-issue a Request for Qualifications (RFQ) for appraisal services. The entire process, starting with the issuance of an RFQ to finally selecting an appraiser can potentially take four (4) to five (5) months.

- **Administrative/Management Issues**
  None.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 160-030-3040-4830 ($30,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval of the Agency Members in order to obtain appraisal services for Agency activities and projects.

4. **Previous Council and Agency Action:**
   No previous Agency action.

5. **Substantiation of Recommendations:**
   Goeppner and Associates conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value will and

advise the Agency, in writing, of its opinion of the fair market value of each. The firm has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. In addition, the firm is fully abreast of the required state and county laws relating to the provision of appraisal services. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Goeppner and Associates and the Agency.
   Attachment 2: RFQ
   Attachment 3: Ranking Sheet

7. **Legal Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** _____
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Jesse Lewis, Community Development Director
Marla Stevens, Acting Redevelopment Manager
Tracie Oaks, Redevelopment Specialist

COUNCIL PRESENTER: Marla Stevens, Acting Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens

ASSISTANT CITY ADMINISTRATOR APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: _____

Cherishing Our Past - Embracing Our Future

CITY OF INGLEWOOD

One W. Manchester Boulevard Inglewood, CA 90301-1750

Inglewood100.com

DATE: January 13, 2009

TO: Mayor and Council Members

FROM: City Attorney

SUBJECT: Approve Agreement with Meyers, Nave, Riback, Silver and Wilson for Legal Services

---

1. **Proposal:**
It is recommended that the Mayor and Council Members approve an agreement with Meyers, Nave, Riback, Silver and Wilson for legal representation to provide legal advice to the City of Inglewood, regarding the Hollywood Park Project. Mr. David Cunningham is the lead attorney providing services. The contract will be in the amount of $75,000.

2. **Background Information:**
Initially, Mr. Jimmy Gutierrez provided legal advice to the City in conjunction with the Hollywood Park Project. Thereafter, the City Council agreed with the recommendation that Meyers, Nave, Riback, Silver and Wilson be hired. Meyers, Nave, Riback, Silver and Wilson have a current contract with the Redevelopment Agency. The City Attorney has been advised that it would be prudent to execute a contract with this firm and the City to make sure that their bills are paid in a timely fashion until additional details regarding reimbursement of the costs by the Hollywood Park Land Company can be devised

- **Statement of Options**
The Mayor and Council Members have the following options:

A) **Approve Agreement**
Approving an agreement with the recommended firm ensures that that City of Inglewood can be effectively represented in working out complex legal details associated with the Hollywood Park Project.

B) **No Action**
Not approving an agreement can cause a major delay in working out the complex legal issues associated with the Hollywood Park Project.

A-1

- **Administrative/Management Issues**
  The City Attorney, in conjunction with the needs of the City of Inglewood, will determine what advice and guidance is needed by staff to effectively protect the City's legal interests in the Hollywood Park Project negotiations. There will be an effort to seek Hollywood Park Land Company's agreement to reimburse certain legal costs in order to facilitate the timely resolution of any outstanding issues between the parties.

- **Financial/Funding Issues and Sources**
  Funds for this expenditure are available in the 2008-2009 Fiscal Year Budget in account code 001-099-9936-44715.

3. **Critical Milestones:**
   Legal work has begun, is continuing and is critical.

4. **Previous Legislative Action:**
   December 16, 2008 – The Inglewood Redevelopment Agency approved Agreement No. R-08-019 with said firm.

5. **Substantiation of Recommendations:**
   This firm has every area of legal expertise necessary to evaluate the legal significance of what is being proposed by the Hollywood Park Project.

6. **Description of any Attachments:**
   Agreement with Meyers, Nave, Riback, Silver and Wilson.

7. **Legal Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** YD
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Cal P. Saunders, City Attorney

COUNCIL PRESENTER: Cal P. Saunders

PROOFREAD FOR ACCURACY: CAL P. SAUNDERS

ACA APPROVAL: N/A

CITY ADMINISTRATOR APPROVAL: [illegible]

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 28, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Request Approval of an Agreement with Tierra West Advisors (TWA) to Provide Economic Consultant Services**

---

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency (Agency) approve a one-year Agreement with Tierra West Advisors (TWA) to provide economic consultant services in the amount of $40,000. TWA will provide the services required to assist the Agency with extensive economic and market analysis in order to provide the highest quality development for the City of Inglewood.

2. **Background Information:**
The increasing complexity of recent development proposals and their implications for the current and future efforts of the Agency's removal of blight and promotion of the economic revitalization of its redevelopment areas prompted the need to obtain qualified consultants to analyze development proposals and pro formas.

As required under California Redevelopment Law Section No. 33433, the Agency must meet certain requirements in the disposition of property acquired with tax increment funds. In adherence to such requirements, reuse reports are prepared which delineate the reuse value in accordance with the highest and best uses permitted under the redevelopment plan for the area.

On September 3, 2008, a Request for Qualifications (RFQ) was distributed to firms soliciting an economist to assist in the preparation of economic analysis, developer negotiation, and implementation strategies. Staff received responses from five (5) consultants, which included Tierra West Advisors (TWA), Keyser Marston Associates (KMA), Kosmont Companies, CBRE Consulting, Inc. and Economics Research Associates (ERA).

Staff evaluated the consultants based on a rating sheet which ranked the consultants based upon their qualifications, previous projects, technical expertise and on their interview. The selected consultant demonstrated the capability to provide the required services.

R-3

The consultant was selected to assist in a specific area within the City of Inglewood. TWA will be focusing on the Imperial/Prairie and Century Boulevard corridor, and will be available for services in other areas, if needed. The firm has been in operation since 1980 and has provided economic analysis throughout Los Angeles County, including the cities of Los Angeles, Huntington Beach, Glendale and Bell Gardens. Recent projects consist of mixed-use commercial/residential developments, regional malls, "big box" retailers, outlet malls, auto malls and stand-alone auto dealerships.

It should be noted that it was staff's intent at the outset of the RFQ process to select more than one entity to assist in the requisite areas indentified in this report. It was deemed necessary due to the complexity of the economic analysis considerations, and the need to specifically address selected project areas. Therefore, staff is also recommending that KMA and ERA be approved to assist with the Century, Imperial-Prairie and In-Town redevelopment project areas.

- **Statement of Options**
  The Chairman and Agency Members have the following options:

  A) Approve the attached Agreement with TWA to provide economic analysis on development projects.

  B) Direct staff to re-issue the Request for Qualifications (RFQ) and select the most qualified consultants from the submitted proposals. The entire process, starting with the issuance of the RFQ to selecting the economic consultant(s), can potentially take three-to-four months or longer, depending on the Agency's direction to staff during the selection process.

- **Administrative/Management Issues**
  None

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are budgeted under account code 160-030-3040-4830 ($40,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval by the Agency to facilitate the immediate review of development proposals on an as-needed basis in the Imperial-Prairie redevelopment project area, the Century Boulevard corridor, and in other areas, as needed.

4. **Previous Legislative Action:**
None

5. **Substantiation of Recommendations:**
The approval of the agreement with TWA will provide staff with the technical expertise in the analysis of cost projections of proposed developments and projections of economic performance for the completed development. The data generated by TWA would be beneficial, as it would recommend and advise as to the economic feasibility of a development project and what type of business would survive and generate tax revenue for the City; and provide long-term job opportunities for the residents of Inglewood.

6. **Description of any Attachments:**
Exhibit 1 – Contract Agreement with TWA
Exhibit 2 – RFQ
Exhibit 3 – Ranking Sheet

7. **Legal Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Marla Stevens, Acting Redevelopment Manager
Christopher Cain, Development Coordinator
Ignacio Rincon, Redevelopment Specialist

AGENCY PRESENTER: Christopher Cain, Development Coordinator

PROOFREAD FOR ACCURACY: Marla Stevens

EXECUTIVE DIRECTOR APPROVAL: _____

Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **August 11, 2009**

TO: **Mayor and Council Members**

FROM: **Community Development Department**

SUBJECT: **Approval of Agreement with Paragon Partners Ltd. for Relocation Consultant Services**

---

1. **Proposal:**
It is recommended that the Mayor and Council Members (City) approve the attached one-year agreement for relocation consulting services with Paragon Partners Ltd., in the amount of $104,000 ("Airport Noise Mitigation Grant Funds").

2. **Background Information:**
The City continues to participate in the Airport Noise Mitigation Program funded by the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA) to recycle noise impacted residential properties that are located under the flight path of LAX. The acquired properties are recycled to commercial and industrial uses that are noise compatible.

Through the land recycling program, the City has acquired properties requiring the assistance of relocation consultants in order to facilitate the relocation process. On June 21, 2006, a one-year contract for relocation services was awarded to Paragon Partners LTD, for properties located at 3926 W. 102nd Street and 3940 W. 102nd Street under the FAA Grant (30). Paragon Partners completed relocation services for the 26 unit property located at 3926 W. 102nd Street. However, due to extensive negotiations and legal proceedings that expanded over a two-year period for the property located at 3940 W. 102nd Street (30 units) and concluded June 30, 2009, the firm was unable to complete the relocation activities for that property. It is therefore, necessary to execute a new contract in order to resume and complete the relocation services for the residential units.

- **Statement of Options**
The Mayor and Council Members have the following options:

A) Approve Agreement
Approving the agreement with Paragon Partners, Ltd., will enable the City to relocate residential units in order to complete the relocation phase of the acquisitions.

5

B) No Action

If the Mayor and City Council choose not to approve the agreement, it will hinder the completion of the relocation phase. If staff is directed to re-issue an RFQ for consulting services, the entire process could take approximately three to four months before a new vendor is selected.

- **Administrative/Management Issues**
  It is anticipated that once the relocation phase has been completed, the process of site clearance will begin in the 2009-2010 fiscal year.

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are available under account code 222-100-P730-4830 ($104,000) (Los Angeles World Airports/Federal Aviation Administration Noise Mitigation Grant Funds – Contract Services).

3. **Critical Milestones:**
   None.

4. **Previous Council and Action:**
   On June 20, 2006, the Mayor and Council Members approved a one-year agreement for relocation services with Paragon Partners.

5. **Substantiation of Recommendations:**
   The Agreement requires approval of the Mayor and Council Members in order to obtain relocation services for the Airport Noise Mitigation Land Recycling Program. Paragon Partners possesses the expertise and ability to perform the required relocation and property management services for the City. The firm is qualified to fulfill and complete the relocation services required under the Airport Noise Mitigation Program.

6. **Description of any Attachments:**
   Attachment 1: Agreement between Paragon Partners LTD and the City of Inglewood.

7. **Legal Review Verification:** YB
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:** YB
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Margarita Cruz, Airport Noise Mitigation Manager
Marla Stevens, Airport Noise Coordinator

COUNCIL PRESENTER: Marla Stevens

PROOFREAD FOR ACCURACY: Margarita Cruz

ASSISTANT CITY ADMINISTRATOR APPROVAL: _____

CITY ADMINISTRATOR APPROVAL: _____

CITY'S ORIGINAL

AGREEMENT 09-83

THIS AGREEMENT is made and entered into this 11th day of August, 2009, by and between the CITY OF INGLEWOOD hereinafter referred to as the "CITY" and "PARAGON PARTNERS LTD." a California Corporation, with its principal place of business at 5762 Bolsa Avenue, Suite 201, Huntington Beach, California 92649, hereinafter referred to as "Consultant."

WHEREAS, the City desires to engage Consultant to render certain technical advice and assistance on relocation, and property management; and

WHEREAS, Consultant represents that it is familiar with Federal, State and local rules, laws and regulations that govern relocation and property management services; and

WHEREAS, Consultant represents itself as being qualified to provide such services under this Agreement.

NOW, THEREFORE, in consideration of the premises the parties hereto agree as follows:

ARTICLE 1 – SCOPE OF SERVICES

Consultant, when requested by the City, shall confer with and advise the City regarding relocation and property management services including but not limited to the following:

1. Update and develop policies and procedures for implementation of relocation and property management program.

2. Develop monthly relocation activity reports or such other reports as may be required. These reports shall include: (a) field survey results of proposed displaced persons; (b) relocation resources and estimate of adequacy of such resources; (c) recommendation and/or implementation of program to supplement existing relocation resources and budget projections.

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representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

IN WITNESS WHEREOF, the City of Inglewood and Paragon Partners Ltd. have executed this Agreement as of the date first above written.

PARAGON PARTNERS LTD.

Nelia A. La Valle, President

CITY OF INGLEWOOD

Roosevelt Dorn, Mayor

ATTEST:

Yvonne Horton, City Clerk

APPROVED AS TO FORM:

Cal P. Saunders, City Attorney

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Inglewood California

COMMUNITY DEVELOPMENT DEPARTMENT

DATE: **April 28, 2009**

TO: **Inglewood Redevelopment Agency**

FROM: **Community Development Department**

SUBJECT: **Request Approval of an Agreement with Keyser Marston Associates (KMA) to Provide Economic Consultant Services**

---

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency (Agency) approve a one-year Agreement with Keyser Marston Associates (KMA) to provide economic consultant services in the amount of $90,000. KMA will provide the services required to assist the Agency with extensive economic and market analysis in order to provide the highest quality development for the City of Inglewood.

2. **Background Information:**
The increasing complexity of recent development proposals and their implications for the current and future efforts of the Agency's removal of blight and promotion of the economic revitalization of its redevelopment areas prompted the need to obtain qualified consultants to analyze development proposals and pro formas.

As required under California Redevelopment Law Section No. 33433, the Agency must meet certain requirements in the disposition of property acquired with tax increment funds. In adherence to such requirements, reuse reports are prepared which delineate the reuse value in accordance with the highest and best uses permitted under the redevelopment plan for the area.

On September 3, 2008, a Request for Qualifications (RFQ) was distributed to firms soliciting an economist to assist in the preparation of economic analysis, developer negotiation, and implementation strategies. Staff received responses from five (5) consultants, which include Tierra West Advisors (TWA), Keyser Marston Associates (KMA), Kosmont Companies, CBRE Consulting, Inc. and Economics Research Associates (ERA).

Staff evaluated the consultants based on a rating sheet which ranked the consultants based upon their qualifications, previous projects, technical expertise and on their interview. The selected consultant demonstrated the capability to provide the required services.

R-4

The consultant was selected to assist in a specific area within the City of Inglewood. KMA will be utilized to assist with the Revitalization of the Century/Prairie area (i.e., Inglewood Promenade, etc.), and will be available for services in other areas, if needed. The firm has provided these services for over 35 years with offices in Los Angeles, San Diego and San Francisco. Some of their projects include the Paseo Colorado in the City of Pasadena, a mixed-use commercial/residential infill project that has been very successful. Additionally, KMA evaluated the financing structure and allocation of revenues for the Staples Center in Los Angeles.

It should be noted that it was staff's intent at the outset of the RFQ process to select more than one entity to assist in the requisite areas indentified in this report. It was deemed necessary due to the complexity of the economic analysis considerations, and the need to specifically address selected project areas. Therefore, staff is also recommending that TWA and ERA be approved to assist with the Imperial-Prairie and In-Town redevelopment project areas, respectively.

- **Statement of Options**
  The Chairman and Agency Members have the following options:

  A) Approve the attached Agreement with KMA to provide economic analysis on development projects.

  B) Direct staff to re-issue the Request for Qualifications (RFQ) and select the most qualified consultants from the submitted proposals. The entire process, starting with the issuance of the RFQ to selecting the economic consultant(s), can potentially take three-to-four months or longer, depending on the Agency's direction to staff during the selection process.

- **Administrative/Management Issues**
  None

- **Financial/Funding Issues and Sources**
  Funds for the Agreement are budgeted under account code 160-030-3040-4830 ($90,000) (Redevelopment Fund – Community Development Department Contract Services).

3. **Critical Milestones:**
   The Agreement requires approval by the Agency to facilitate the immediate review of development proposals on an as-needed basis in the Century and Imperial-Prairie redevelopment project areas, and in other areas, as needed.

4. **Previous Legislative Action:**
KMA has a current contract to provide certain technical advice and assistance on financial matters in connection with the Hollywood Park Mixed-Use Development Project (Agreement No. R-08-09) ($120,000); as well as a $7,000 contract with KMA to assist the Redevelopment Agency with a required plan amendment relative to the proposed mixed-use project. Additionally, the Agency has utilized the services of KMA and has a long standing relationship that dates back approximately 15 or more years.

5. **Substantiation of Recommendations:**
The approval of the Agreement with KMA will provide staff with the technical expertise in the analysis of cost projections of proposed developments and projections of economic performance for the completed project. The data generated by KMA would be beneficial, as it would recommend and advise as to the economic feasibility of a development project and what type of business would survive and generate tax revenue for the City; and provide long-term job opportunities for the residents of Inglewood.

6. **Description of any Attachments:**
Exhibit 1 – Contract Agreement with KMA
Exhibit 2 - RFQ
Exhibit 3 – Ranking Sheet

7. **Legal Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

8. **Finance Review Verification:**
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Marla Stevens, Acting Redevelopment Manager
Christopher Cain, Development Coordinator
Ignacio Rincon, Redevelopment Specialist

AGENCY PRESENTER: Christopher Cain, Development Coordinator

PROOFREAD FOR ACCURACY: Marla Stevens

EXECUTIVE DIRECTOR APPROVAL: _____

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY ADMINISTRATOR

Inglewood ★★★★★ All-America City

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2010 DEC -9 PM 5:22

DATE: December 14, 2010

TO: Chairman and Redevelopment Agency Board Members

FROM: Executive Director

SUBJECT: Approve Two-Year agreement between the Redevelopment Agency and the Ferguson Group LLC for Federal Lobbying Services

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RECOMMENDATION

It is recommended that the Chairman and Agency Members take following action to procure continuous Federal legislative advocacy services:

1) Approve a two-year agreement with the Ferguson Group, LLC, in a total amount not to exceed $80,000; and
2) Approve an expense contingency in the amount of $3,000.

BACKGROUND INFORMATION

The Ferguson Group (TFG) is a professional lobbying firm that specializes in representing public agencies and assisting them in receiving federal funding, as well as obtaining legislative and regulatory approvals to address local problems. The City of Inglewood (City) and the Inglewood Redevelopment Agency (Agency) has retained TFG for more than 20 years to provide legislative advocacy services at the federal level.

TFG has worked aggressively to assist the Agency in achieving its federal objectives. From 1997-2007, through Ferguson's lobbying efforts in Washington D.C. and their work with city officials, Inglewood has received over $40 million in appropriations and authorizations for numerous transportation, water infrastructure, economic development, and public safety technology-related projects. Additionally, TFG has worked with the City to secure millions of dollars for the City's noise mitigation and sound insulation efforts. Lastly, TFG provides the City with real-time updates on pertinent federal legislation (i.e. telecommunications, affordable housing, transportation, and the environment).

Last year, the Ferguson Group LLC, submitted seven requests at the behest of the City of Inglewood. Of those efforts, the City was awarded a Federal earmark for the Water System Reliability Program amounting to $100,000.

Currently, TFG is working on securing funding for the following projects:

R-F

PROJECT	REQUEST	FEDERAL SOURCE	NOTES
Law Enforcement Technology and Infrastructure Upgrades	$1.25 million	DOJ – COPS Technology Program	• $200,000 in FY 2008 - To upgrade the in-car Mobile Data Computer (MDC) Units with new hardware and software. Some of the planned MDC upgrades (i.e. RAM, operating software, etc.) will help to improve the performance of the Automated License Plate Readers. • $500,000 in FY 2009 – To conduct an engineering analysis for radio system infrastructure upgrade.
Water System Reliability Program	$400,000	Army Corps of Engineers – Construction	Authorization under WRDA 2007 *(P.L. 110-114, Section 5006)* • $143,000 in FY 2009 (General Investigations) • $100,000 in FY 2010 (Construction)
City-wide Sewer System Upgrade *(Preliminary Assessment Survey)*	$660,000	EPA – State and Tribal Assistance Grant Program	
City-wide Home Weatherization Demo Program	$110,000	DOE – Weatherization Assistance Program	To install a "green" profile to structures in noise impacted neighborhoods within CNEL contours.
Century Blvd Safety & Transportation Improvement Project *(construction)*	$22.28 M	SAFETEA-LU Reauthorization	$3 million authorized in SAFETEA-LU *(for preliminary design and engineering currently underway).*
La Cienega Blvd Grade Separation Project	$4.4 M	SAFETEA-LU Reauthorization	
Residential Sound Insulation Program	$40 M	FAA – Airport Improvement Program	To mitigate aircraft noise in the remaining residential properties within the CNEL contours.

DISCUSSION

For over 20 years, the cost of retaining TFG has been borne by both the City and the Agency. This was done because both entities derived the benefit from utilizing the lobbying services provided by the firm. Prior to the current agreement, the City and the Agency each paid 50% of the firm's costs. This was reflected in separate agreements being entered into by City and the Agency.

On July 28, 2009 the City Council approved its portion of the current lobbying costs by approving an agreement with TFG in the amount of $80,000. To date, invoices have

been solely paid with City funding. The former City Administrator directed that the Agency not present an agreement for its portion of the costs until after staff presented a comprehensive report on the status of all redevelopment fund balances. This presentation occurred on June 28, 2010.

The Agency is now being present with a request by staff to approve an agreement that will facilitate payment of the Agency's share of federal lobbying representation costs.

ADDITIONAL CONSIDERATIONS
None

FINANCIAL/FUNDING ISSUES AND SOURCES
The funds for these services are budget in Redevelopment Account No. 160-030-3040-44830 (Redevelopment Agency, Non-Departmental, Contract Services).

DESCRIPTION OF ANY ATTACHMENTS
Ferguson Group LLC Contract (Redevelopment)

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted, reviewed and approved by the Finance Department.

PREPARED BY: Mawusi K. Watson, Chief of Staff to the CAO

COUNCIL PRESENTERS: Mark F. Weinberg, Executive Director

PROOFREAD FOR ACCURACY: _____

CITY OF INGLEWOOD

OFFICE OF THE CITY ATTORNEY

Inglewood ★★★★★ All-America City 2009

DATE: September 14, 2010

TO: The Agency Board of Directors

FROM: Agency Counsel

SUBJECT: Approve Amendment to Agreement No.: R-08-15 with Bergman and Dacey for Legal Services

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RECOMMENDATION

It is recommended that the Agency Board of Directors approve an amendment to Agreement No. R-08-15 with Bergman and Dacey for $70,000 to provide legal advice to the Agency regarding the Senior Center Project and other Redevelopment matters. (HUD Funds)

BACKGROUND/DISCUSSION

Bergman and Dacey has the legal expertise necessary to evaluate the legal significance of complex legal issues the Agency faces. They have provided the guidance the Agency needs in the areas of Construction and Redevelopment. The Agency Counsel, in conjunction with the needs of the Agency, will determine what advice and guidance is needed by staff to effectively protect the Agency's legal interests. Legal work has begun and it is critical to keep the services ongoing.

FINANCIAL/FUNDING ISSUES AND SOURCES

Funds for this expenditure are available in the 2010-2011 fiscal year budget in account code number 221-100-P207-4820 (HUD – CDBG – Locust Street Senior Center Project – Contract Services)

DESCRIPTION OF ANY ATTACHMENTS

Proposed Amendment to Agreement No.: R-08-15 with Bergman and Dacey.

LEGAL REVIEW VERIFICATION

This report, in its entirety, was prepared by the Office of the Agency Counsel.

FINANCE REVIEW VERIFICATION

This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Cal P. Saunders, Agency Counsel

COUNCIL PRESENTER: Cal P. Saunders

PROOFREAD FOR ACCURACY: CPS

- **Financial/Funding Issues and Sources**
  Funds in the amount of $175,000 are available in account 160-030-3040-44830 (Redevelopment Funds) for legal assistance on various Redevelopment projects.

3. **Critical Milestones:**
   Legal work has begun, is continuing on Redevelopment matters.

4. **Previous Legislative Action:**
   The Inglewood Redevelopment Agency previously approved Agreement No. R-07-21, in December of 2007, with additional amendments in subsequent actions.

5. **Substantiation of Recommendations:**
   The Agency Counsel is recommending the approval of this Amendment. The services of Kane, Ballmer & Berkman have been utilized by the Agency on numerous occasions and the services provided by the firm have proven to be effective.

6. **Description of any Attachments:**
   Proposed Agreement

7. **Legal Review Verification:** CRS
   This report, in its entirety, has been submitted to, reviewed and approved by the Office of the Agency Counsel.

8. **Finance Review Verification:**
   This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Cal P. Saunders, Agency Counsel

AGENCY PRESENTER: Cal P. Saunders

PROOFREAD FOR ACCURACY: CRS

ACA APPROVAL: N/A

EXECUTIVE DIRECTOR APPROVAL: N/A

Inglewood California

Office of the City Attorney

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2010 JUN 23 PM 5:05

DATE: June 29, 2010

TO: Inglewood Redevelopment Agency

FROM: Agency Counsel

SUBJECT: Approve Agreement Kane Ballmer & Berkman

1. **Proposal:**
It is recommended that the Inglewood Redevelopment Agency ("Agency") approve an Agreement with Kane Ballmer & Berkman, for $175,000 to provide legal advice and other legal assistance including litigation and transactional services.

2. **Background Information:**
Mr. Royce Jones, with the law firm of Kane, Ballmer & Berkman ("Kane"), has provided the Redevelopment Agency ("Agency") with legal service for many years in connection with acquisitions of property and various other projects including litigation and transactional matters.

- **Statement of Options**
The Chairman and Agency Members have the following options:

  A) **Approve Agreement**
  Approving this Agreement with the recommended firm ensures that the Agency can continue to be effectively represented without a lapse in representation.

  B) **No Action**
  Not approving this amendment may result in certain delays in that another firm would have to gather institutional history information on before providing the Agency with competent representation on current and future projects.

- **Administrative/Management Issues**
The Agency Counsel, in conjunction with the needs of the Agency, will determine what advice and guidance is needed by staff to effectively protect the Agency's legal interests in various Redevelopment matters.

R-3

AGREEMENT NO.: R-10- 16

THIS AGREEMENT is made and entered into this 29th day of June, 2010 by and between the INGLEWOOD REDEVELOPMENT AGENCY (hereinafter referred to as "Agency") and KANE BALLMER & BERKMAN hereinafter referred to as "Special Counsel," with its principal place of business located at 515 S. Figueroa Street, Suite 1850, Los Angeles, California 90071 and covers work now in progress or that has previously been completed under the prior agreement which has no expiration date.

WHEREAS, Agency is engaged in various litigation and transactional matters in which it is represented by Special Counsel; and

WHEREAS, Agency is desirous of continuing this professional relationship; and

WHEREAS, Special Counsel represents itself to be desirous of continuing to provide Agency with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW THEREFORE, in consideration of the premises the parties hereto agree as follows:

Article 1 -- SCOPE OF SERVICES

Special Counsel agrees to render legal services to Agency when and as requested by the Agency Counsel and under his direction.

Legal services to be performed by Special Counsel under this Agreement may include, but are not limited to the rendering of legal advice and consultation; the drafting and preparation of necessary legal documents to effectuate the best interests of Agency, and all appearances required by the court in litigation involving Agency.

Article 2 -- DUTIES OF AGENCY

Agency shall provide Special Counsel with such information as is possessed by Agency and which is normally supplied to attorneys performing such services.

Article 16 -- ENTIRE AGREEMENT

This Agreement and any agreement, document or instrument attached hereto or referred to herein, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, Agency and Special Counsel have executed this Agreement as of the date and year first above written.

KANE, BALLMER & BERKMAN

ROYCE K. JONES, Esq.

INGLEWOOD REDEVELOPMENT AGENCY

CHAIRPERSON

ATTEST:

YVONNE HORTON,
Agency Secretary

APPROVED AS TO FORM:

CAL P. SAUNDERS, Esq.
Agency Counsel

N:\AGREEMENTS\IRA\(Redevelopment) - Kane Ballmer & Berkman 2010.doc

Approved for Agenda

Inglewood All-America City 2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: **September 27, 2011**

TO: **Mayor and Council Members**

FROM: **City Manager Office**

SUBJECT: **Agreement with Gordon Anderson to Provide Redevelopment Services Assistance to Administration and the Community Development Department and Amend the Budget to Transfer Funds within the Redevelopment Division (110907-02)**

RECOMMENDATION

It is recommended that the Mayor and Council Members take the following actions:

(1) Adopt the attached Budget Resolution transferring funds available within the Redevelopment Division for redevelopment services from salary to contract services; and

(2) Approve a professional services agreement with Gordon Anderson for one year to provide redevelopment services assistance to Administration and the Community Development Department in an amount not to exceed $100,000. (Redevelopment Fund)

BACKGROUND

As the City of Inglewood continues to address on-going critical fiscal challenges, examine operational options and find new/effective ways to provide efficient service with a reduced workforce, it has been determined that additional assistance is needed as the City works through these issues.

Effectively, the Community Development Department, which is the department principally responsible for implementing all redevelopment activity, has not had a director since March of 2009. This has left a tremendous void in the organization, specifically for the Redevelopment Division of the department. Recently, the City began the recruitment process for a Community Development Director, and then froze its efforts due to the uncertainty of redevelopment caused by a Stay recently imposed by the California Supreme Court broadly involving recent State legislative actions on the future of redevelopment agencies and activities in California. The Court has indicated that it will likely make a determination by January 15, 2012. Administration has decided to wait for the California Supreme Court's ruling before deciding a future course of action for the Community Development Director position. If the recruitment subsequently moves forward the process is projected to take several months. Therefore, while the circumstances affecting the future determination for the Community

CM-2 + R-5

Development Director position and recruitment is being analyzed, it has been deemed necessary to bring aboard an experienced consultant to assist with key redevelopment projects and considerations. In the interim, it is recommended that Gordon Anderson be hired to provide redevelopment services and assist in identified areas of need for the Redevelopment Division.

Mr. Anderson has a wealth of experience in the disciplines of redevelopment and economic development. During his career Mr. Anderson has served in many capacities in municipal government including as an Economic Development Administrator and Special Assistant to the City Manager in the City of Pasadena; Deputy City Manager in the City of San Pablo; and Assistant City Manager in the cities of Hayward and Santa Monica. Mr. Anderson has also worked as a consultant with City Manager Artie Fields in the City of Salinas on key projects. The City Manager has indicated that he was very pleased with the quality of work Mr. Anderson performed in Salinas. Additionally, Mr. Anderson has several years of financial institution management experience and has over 30 years experience in the private and public sectors.

Since early August 2011, Mr. Anderson has been providing assistance for redevelopment via short-form agreement.

DISCUSSION

As a consultant, Mr. Anderson will provide organizational management assistance to help foster productive development projects and assist in identified areas of need for redevelopment-related items within the Community Development Department. Additionally, Mr. Anderson will assist Administration on a number of key redevelopment projects. It is expected that his experience will afford Administration an opportunity to deploy Mr. Anderson in selected key areas where he can best add value. Effectively, Mr. Anderson will carry-out redevelopment services on behalf of the City of Inglewood, as authorized per the Cooperation Agreement between the City of Inglewood and the Inglewood Redevelopment Agency approved on January 25, 2011, as amended. That agreement stipulates that the City is granted the authority to carry-out redevelopment functions and projects on behalf of the Agency in accordance with Section 33220 of the California Health and Safety Code.

Specifically, Mr. Anderson will assist the City in coordinating various redevelopment efforts necessary for the elimination of blight within the Merged Inglewood Redevelopment Project Area; assist in re-establishing a redevelopment economic development effort; assist the Redevelopment Division with key projects/programs; and aid the Redevelopment Division in their on-going efforts to maximize efficiency. Additionally, Mr. Anderson will assist the Assistant City Manager for Development in Administration's on-going efforts to enhance quality control reviews of specific redevelopment projects, programs, documents, reports, and contracts.

Mr. Anderson will also lend his experience and expertise for specific redevelopment projects that are facilitated by the Redevelopment Division as the Agency attempts to maximize the cost-effectiveness of each proposed project. Additionally, he will provide economic analysis for key redevelopment project proposals and provide recommendations to the City Manager and Assistant City Manager for Development.

Mr. Anderson will also assist in identifying and pursuing additional funding sources for Redevelopment projects and programs as well as assist the Agency in responding to critical issues as they arise.

It should be noted that Mr. Anderson will provide valuable redevelopment expertise and input while the vacancy is being resolved. As stated earlier, the vacancy of the position has had an impact on Administration and the managers in the department.

The proposed agreement has a maximum compensation amount not to exceed $100,000. The proposed hourly rate for Mr. Anderson's services is $100. Mr. Anderson has agreed to accept this assignment at an hourly rate that is lower than his typical rate of $140 to $160 per hour.

Since it is proposed that payment for these services be derived from existing salary savings of the vacant Community Development Director position, it is necessary for the City Council to approve the requested amendment to the 2010-2011 fiscal year budget to transfer $100,000 from account number 160-030-3040-11001 (Redevelopment-Salaries) to account number 160-030-3040-44830 (Redevelopment- Contract Services).

ADDITIONAL CONSIDERATIONS
None

FINANCIAL/FUNDING ISSUES AND SOURCES
Upon City Council authorization, funds will be available in account number 160-030-3040-44830 (Redevelopment-Contract Services) to fund the consultant.

DESCRIPTION OF ANY ATTACHMENTS
Resolution Amending FY 2010-2011 Budget
Exhibit A
Agreement with Gordon Anderson

LEGAL REVIEW VERIFICATION CRS
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED BY: Sheldon Curry, Assistant City Manager

COUNCIL PRESENTER: Sheldon Curry, Assistant City Manager

PROOFREAD FOR ACCURACY: Sheldon Curry

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: June 28, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Community Development Department

SUBJECT: Owner Participation Agreement Between the City of Inglewood, Inglewood Redevelopment Agency and Chandler Partners, for the Development of 145 Affordable Rental Housing Units at 527 West Regent Street; and to Amend the 2010-2011 Fiscal Year Agency Budget to Allocate Funds as Needed (#110214-02)

RECOMMENDATION

It is requested that the Mayor and Council Members and the Chairman and Agency Members:

1. Approve the Owner Participation Agreement (OPA) between the City of Inglewood (City), Inglewood Redevelopment Agency (Agency) and Chandler Partners (Developer), for $13,948,000 in Set-Aside funds for gap financing assistance in the form of a residual receipts loan to be repaid over a 55-year term with a one point seven-nine percent (1.79%) compounding interest rate to support the development of 145 units of affordable workforce housing located at 527 West Regent Street; and

2. Adopt the Resolution approving the agreement to provide financial assistance of $13,948,000 from the Agency's Housing Set-Aside-Funds; and

3. Adopt a Resolution amending the Agency budget for the 2010-2011 fiscal year.

BACKGROUND

On March 15, 2011, the Redevelopment Agency considered the request by Chandler Partners for financial assistance to facilitate the development of a 145-unit residential project. A financing structure was presented to the Agency that was reviewed by the Agency's outside economist Keyser Marston (KMA). The KMA analysis determined that the financial assistance was justifiable up to the amount of $18,370,000. Upon approval of the financial assistance, staff was directed to prepare the necessary agreements needed to implement the project. The source of financial assistance approved at that time included $14,370,000 of Housing Set-Aside funds and $4,000,000 of HOME funds.

CM-5d
R-6

The March 15th staff report and the Keyser Marston economic analysis considered by the City Council and Agency are attached to this report for reference.

The project site is comprised of approximately 143,555 square feet of land and has a density of 44 units per acre. Although the project design was modified from an original condominium project to a workforce housing project, the quality of the proposed construction will remain as represented for the original project. The units will be contained within two buildings comprised of two and three-story wood framing over a one-level concrete parking garage. The project will have two parking spaces per unit (290 total), with one guest parking space for every three units (45 guest spaces) and three surplus parking spaces, for a total of 338 parking spaces. The proposed architectural building design consists of a "Mediterranean" influence to enhance the existing neighborhood. Each proposed unit has a balcony. Mediterranean architecture design usually consists of structures that are multi-story and based on a rectangular floor plan, and feature massive, symmetrical primary facades. Mediterranean is characterized generally by stuccoed wall surfaces, flat or low-pitched terra cotta and tile roofs, arches, scrolled or tile-capped parapet walls and articulated door surrounds. Feature detailing is occasionally executed with keystones. Balconies and window grilles are common, and are generally made of wrought iron or wood.

Table 1		
Unit Mix		
	Number of Units	**Unit Size sq. ft.**
Studio Units	1	540
One-Bedroom Units	36	732
Two-Bedroom Units	101	971
Three-Bedroom units	7	1,293

Additionally, the proposed project will contain a community meeting room, an after-school learning center/study hall, a computer lab center, a childcare facility, a tot play lot, a pool and jacuzzi in a landscaped courtyard, and a library. The project will be secured by a buzzer entry system located in each unit that will allow guest access to the residents. The day care center is to be managed by Faithful Central Baptist Church. Afternoon tutoring services will be operated by Century Housing, which provides tutoring through the LIFT (Learning Incentives For Today) Program. Participation in the support services and educational programs is voluntary.

On May 9, 2011, the Developer submitted an amendment to their proposal. After review of the amended proposal by Keyser Marston, it was determined that the proposed amendment results in the reduction of the Agency subsidy despite an increase in estimated total development costs. This was accomplished because the developer secured increases from tax credit equity, including solar rebates, and there was an increase in their deferred developer fee. The original cost and the amended estimated development cost for this project are outlined in Table 2.

The reason for the increased development costs are related to an increase in hard costs of $2,170,000 and increased interest cost of $360,000 not previously considered. There also has been an increase in interest cost and fees associated with the increase in tax credits.

Table 2			
Estimated Development Costs			
	March 15th Proposal	**May 9th Amended Proposal**	**Difference**
Land Assembly	$ 4,685,000	$ 4,695,000	$ 10,000
Direct Building Costs	23,996,000	26,169,000	2,173,000
Indirect Building Costs	6,858,000	6,865,000	7,000
Total Financing Costs	2,341,000	3,303,000	962,000
Total Development Costs	**$37,880,000**	**$41,032,000**	**$3,152,000**

The Developer has applied for state bonds and tax credits in the amounts listed in the May 9th proposed project financing plan. The development entity secured an additional $3,334,000 in tax credit equity. The developer also increased their deffered development fee by an additonal $85,000 and decided to add a solar component to the building which gave them a rebate of $201,000. The latest projected increase in available funds is now greater than the project development costs. As a result the subsidy requested from City/Agency is reduced by $422,000. The requirement for tax exempt bonds is also reduced by $46,000. A comparison of the approved March 15, 2011 and May 9, 2011 amended financing plan is shown in Table 3 as follows.

Table 3			
Proposed Financing			
Funding Source	**March 2011**	**May 2011**	**Difference**
Tax Exempt Bonds	$ 7,557,000	$ 7,511,000	$ (46,000)
Tax Credit Equity	10,703,000	14,037,000	3,334,000
Deferred Developer Fee	1,250,000	1,335,000	85,000
Solar Rebate	-	201,000	201,000
Housing Set-aside funds	14,370,000	13,948,000	(422,000)
HUD HOME Funds	4,000,000	4,000,000	-
Total Potential Funding Sources	**$37,880,000**	**$ 41,032,000**	**$3,152,000**

DISCUSSION

Chandler Partners has submitted an amended proposal resulting in a reduction of tax increment needed to subsidize the project by $422,000. The HOME Fund subsidy will remain the same. The total subsidy now required is $17,948,000. Because of the two distinct funding sources, two Owner Participation Agreements (OPA) have been

prepared to implement and fund this project. The agreement being considered in this report is for the use of Redevelopment Set-Aside funds. This requires that the OPA be between the City, the Redevelopment Agency and the Development entity. This agreement regulates the 121 Set-Aside funded units that will be designated within the site. The remaining 24 units will be financed with HOME funds which maximizes the amount of HOME funds that could be spent on the project. A promissory note has been prepared as part of the OPA showing a loan amount of $13.948 million at one point seven nine percent (1.79%) compound interest rate, the term being fifty-five (55) years. The loan will be structured as a residual receipts note. Audited financial statements will be secured annually to determine the payment owed to the City. Any outstanding balance at the end of 55 years will be due and payable to the City. A second promissory note will be prepared for the HOME funds using the same terms. The total of $4,000,000 in HOME funds will be specifically designated for acquisition of the property by the new development entity from the existing ownership. The land purchase will total $4,695,000. The HOME funds have to be obligated by the City Council.

Table 4

Set-Aside Funded Affordability Mix and Rents for 121 units

Affordability Levels	Studios	1-bdrm	2-bdrm	3-bdrm	Totals
# of Very-Low Income	0	6	16	0	22
Very-Low Income Rents		$585	$654		
# of Low Income	1	23	68	5	97
Low Income Rents	$628	$711	$796	$877	
Unrestricted Management			2		2

No development activity can occur on the site until the HOME fund loan is approved and the land secured by the new development entity. Tables 4 and 5 identify the affordability mix by bedroom and the 2010 rent levels. These rents will be adjusted annually.

Table 5

HOME Funded Affordability Mix and Rents for 24 units

Affordability Levels	1-bdrm	2-bdrm	3-bdrm
Number of Units	7	15	2
Moderate Income- 50% Median/Low HOME	$731	$877	$1,008
Moderate Income- 60% Median/HOME	$887	$1,064	$1,224

ADDITIONAL CONSIDERATIONS

A Mitigated Negative Declaration that complies with the California Environmental Quality Act was previously prepared and approved stating that the proposed project will have no significant adverse impact upon the environment with the implementation of appropriate mitigation measures.

FINANCIAL/FUNDING ISSUES AND SOURCES

Approval of this Agreement will permit the expenditure of $13.948 million of the Set-Aside funds, assisting the Agency in meeting its very-low and low-income expenditure requirements and resolve any excess fund issues the Agency may have. A Resolution amending the 2010-2011 budget is also being presented.

DESCRIPTION OF ANY ATTACHMENTS

Attachment 1	Owner Participation Agreement (OPA)
Attachment 2	Resolution approving OPA agreement
Attachment 3	May 9, 2011 amended proposal
Attachment 4	May 11, 2011 Keyser Marston Analysis of amended proposal
Attachment 5	March 15, 2011 staff report approving project financial structure
Attachment 6	Keyser Marston Report
Attachment 7	Resolution– Budget Amendment

LEGAL REVIEW VERIFICATION

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION

This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Chris Cain, Development Coordinator
Ignacio Rincon, Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY:

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood ★★★★★ All-America City 2009

DATE: June 21, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Administration

SUBJECT: Agreement with the Ferguson Group, LLC to Provide Federal Legislative Advocacy Services

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RECOMMENDATION
It is recommended that the Mayor/Chairman and Council/Agency Members do the following:

City Council

1. Approve a two-year Agreement with the Ferguson Group, LLC to provide federal legislative advocacy services in the annual amount of $32,000; and
2. Approve an expense contingency in the annual amount of $3,000. (General Fund)

Redevelopment Agency

1. Approve a two-year Agreement with the Ferguson Group, LLC to provide federal legislative advocacy services in the annual amount of $40,000; and
2. Approve an expense contingency in the annual amount of $3,000. (Redevelopment Fund)

BACKGROUND
The Ferguson Group, LLC (TFG) is a professional lobbying firm specializing in representing public agencies in obtaining federal legislative, regulatory and funding support for issues of concern to their clients. The City of Inglewood (City) and Inglewood Redevelopment Agency (Agency) have contracted with TFG for more than 20 years to provide legislative advocacy services at the federal level.

TFG has worked aggressively to assist the City and Agency to achieve their federal objectives in support of the Inglewood community. Since 1997, the lobbying efforts by TFG, as reflected by the support of our congressional representatives, have resulted in the City/Agency receiving over $40 million in appropriations and authorizations for

9 & R-5

various transportation, water infrastructure, economic development, and public safety technology-related projects.

Both the City and Agency agreements with TFG will expire on July 1, 2011.

DISCUSSION

With congressional work on the FY 2011 federal budget recently finalized, work on the FY 2012 has now begun. Inglewood officials have engaged TFG representatives as preparations for submission of requests from Inglewood for federal assistance begins. Given the increasing likelihood that there will be a significant reduction in federal spending, (the final spending legislation for FY 2011 enacted nearly $40 billion in programmatic cuts) the need for an experienced lobbying firm to assist Inglewood secure its fair share of federal resources can not be understated.

Although this year's efforts to secure federal assistance was hampered by Congress' ongoing budget struggles, TFG has proved to be beneficial in securing dwindling resources and in keeping us abreast of Federal legislation that could impact the City/Agency. Most recently, TFG assisted Inglewood in receiving the following appropriations: Law Enforcement Voice Radio Interoperable Communications Infrastructure - $500,000; Water System Reliability Program - $143,000; and Inglewood Business Development Program - $430,757. Additionally, TFG has provided assistance with regard to several grant programs including the COPS Hiring Program, the Transportation Investment Generating Economic Recovery (TIGER) grant and various infrastructure programs.

In order to continue representation by TFG, it is recommended that the City and Agency approve new agreements with the firm. Each agreement is for a term of two years, which is consistent with past agreements, and contains a 45-day prior notice cancellation clause. It should be noted that TFG has agreed to provide a reduced fee that will result in an annual savings of $8,000 to the General Fund. This cost saving has been applied retroactively to October 2010 and is also reflected in the proposed agreement.

If the contracts are approved, TFG will continue to provide an array of service to the City/Agency including: representing the City/Agency with Inglewood's congressional delegation to provide assistance in matters relevant to the City/Agency; reviewing and commenting on proposals of the City/Agency prepared for submission to federal agencies; secure and furnishing detailed information on federal programs of interest to the City/Agency; and contact federal agencies on behalf of the City/Agency.

It is important to maintain competent representation at the federal level to effectively represent the interests of the City/Agency, especially with the potential volume of proposed legislation which could adversely affect local agencies.

Approval of these agreements will facilitate the continued advocacy on behave of the City/Agency regarding a number of important initiatives including the following:

- Century Boulevard Safety and Transportation Improvement Project (construction)
- Law Enforcement Technology Equipment and Infrastructure Upgrades
- Water System Reliability Program
- City-wide Sewer System and Preservation and Expansion
- La Cienega Grade Separation Project (planning and design)
- Noise Mitigation/ Land Recycling Program

Recently, TFG worked with our Police Department and secured support from Inglewood's congressional delegation for two important grant applications related to Intellectual Property Crime Enforcement and Solving Cold Cases. Each grant is currently under consideration by United States Department of Justice.

ADDITIONAL CONSIDERATIONS
N/A

FINANCIAL/FUNDING ISSUES AND SOURCES
Due to Inglewood's fiscal constraints, TFG has agreed to reduce its overall fee for service by 10 (ten) percent. This reduced rate was applied retroactively to October 2010 and is reflected, in its totality, in the City contract.

Funds in the amount of $32,000 (City Contract) plus $3,000 for pre-approved travel and related incidental expenses are available in Account Code No. 001-099-9930-4899 (General Fund, Non-Departmental, Contract Services).

Funds in the amount of $40,000 (Redevelopment Agency Contract) plus $3,000 for pre-approved travel and related incidental expenses incurred while representing the Agency are available in Account Code No. 160-030-3040-44830 (Redevelopment Agency, Non-Departmental, Contract Services).

DESCRIPTION OF ANY ATTACHMENTS
City Agreement
Redevelopment Agreement

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been previously submitted to, reviewed and approved by the City Attorney's Office.

FINANCE REVIEW VERIFICATION
This report, in its entirety, has been previously submitted to, reviewed and approved by the Finance Department.

PREPARED BY:
Darryl B. Brown, Deputy City Manager
Yakema Decatur, Sr. Administrative Analyst

COUNCIL PRESENTER:
Mark F. Weinberg, City Manager

PROOFREAD FOR ACCURACY: _____

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: June 14, 2011

TO: Mayor and Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Lidgard and Associates to Provide Real Property Appraisal Services (10323-03) for the Redevelopment Agency and City

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RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the Agreement for certain real property appraisal services with Lidgard and Associates (Lidgard) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Lidgard conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each.

The firm has prepared commercial and residential appraisals for both the Agency and City for approximately eight (8) years. Their work has been professional, resulting in the production of good quality appraisal reports. Lidgard has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. The firm is located in Orange, California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. Annually, a budget is prepared that reflects staff's projections for appraisal services. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were

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10 & R-7

prepared for other departments on sites with redevelopment issues. The additional requests have impacted the need for additional appraisal services. A prime example is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single-family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Lidgard and Associates, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Lidgard and Associates Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Marla Stevens, Development Coordinator

PROOFREAD FOR ACCURACY: Margarita Cz

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 14, 2011

TO: Mayor and City Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Nagasaki and Associates to Provide Real Property Appraisal Services for the Redevelopment Agency and City

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RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the attached Agreement for certain real property appraisal services with Nagasaki and Associates (Nagasaki) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Nagasaki conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each.

The firm has prepared commercial and residential appraisals for both the Agency and City for approximately eight (8) years. Their work has been professional, resulting in the production of good quality appraisal reports. Nagasaki has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. Annually, a budget is prepared that reflects staff's projections for appraisal services. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were prepared for other departments on sites with redevelopment issues. The additional requests have impacted the need for additional appraisal services. A prime example is the use of

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have impacted the need for additional appraisal services. A prime example is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single- family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Nagasaki and Associates, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Nagasaki and Associates Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VARIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Marla Stevens, Development Coordinator u

PROOFREAD FOR ACCURACY:

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: June 14, 2011

TO: Mayor and City Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Integra Realty Resources to Provide Real Property Appraisal Services for the Redevelopment Agency and City (110323-04)

RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the attached Agreement for certain real property appraisal services with Integra Realty Resources (Integra) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Integra conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each.

Integra was selected by the Agency through a Request for Proposal process in April 2009. The firm has prepared commercial and residential appraisals for the Agency since chosen. Integra has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. The firm is located in Encino, California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were prepared for other departments on sites with redevelopment issues. The additional requests have impacted the need for additional appraisal services. A prime example

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is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single-family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Integra Realty Resources, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Integra Realty Resources Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY:

Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER:

Marla Stevens, Development Coordinator

PROOFREAD FOR ACCURACY:

Margarita Cruz

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 14, 2011

TO: Mayor and Council Members
Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with Goeppner and Associates to Provide Real Property Appraisal Services for the Redevelopment Agency and City (110323-02)

RECOMMENDATION

It is recommended that the Mayor and Council Members (City) and the Inglewood Redevelopment Agency (Agency) approve the attached Agreement for certain real property appraisal services with Goeppner and Associates (Goeppner) for the term of one year, beginning June 14, 2011 for a maximum amount of $40,000. (Redevelopment Funds)

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of qualified and experienced appraisal firms to determine property values in support of the acquisition process through negotiated sales and eminent domain. Goeppner conducts inspections of real properties, including all improvements, structures, appurtenances and other elements of value and advises the City, in writing, of its opinion of the fair market value of each. The firm is located in Costa Mesa, California.

Goeppner was selected by the Agency through a Request for Proposal process in April 2009. The firm has prepared commercial and residential appraisal for both the Agency and City over the last two (2) years. Goeppner has demonstrated its expertise and ability to perform a broad range of real estate services inclusive of federal appraisals, rental analysis, litigation support and damage analysis. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California.

DISCUSSION

Having more than one (1) appraisal firm under contract enables staff to spread workloads and complete the process in a timely and expeditious manner. Annually, a budget is prepared that reflects staff's projections for appraisal services. This fiscal year, there have been consistent requests for appraisal services as potential projects are explored. Additionally, appraisals were prepared for other departments on sites with redevelopment issues. The additional requests

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have impacted the need for additional appraisal services. A prime example is the use of appraisal services for the Neighborhood Stabilization Program (NSP) and five (5) Inglewood Unified School District properties. For the NSP, the appraisal values were used to set the purchase price for the acquisition of single-family homes, which will be rehabilitated and ultimately sold. Appraisal values will be used to set the acquisition price of the IUSD properties.

As a result of the Cooperation Agreement recently approved between the Agency and the City, as amended on February 25, 2011, the Agency must modify existing agreements to include the City. The Cooperation Agreement effectively made certain findings and determinations with the purpose of providing Agency payment by the City of certain costs associated with certain Agency funded projects, programs and expenditures. The action was necessary due to the recent state legislature crisis and the threat of the elimination of redevelopment agencies. Consequently, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a one year agreement to provide appraisal services to the Agency and the City, with the understanding that an RFQ will be circulated for future services.

In addition to the agreement with Goeppner and Associates, there will be three other agreements presented for approval consideration. These three agreements were prepared earlier, however, due to the transfer of assets from the Agency to the City, it was necessary to revise all agreements and have the respective companies review and execute the documents. This further delayed the process for the consideration of approval.

ADDITIONAL CONSIDERATIONS

To augment the existing pool of appraisers staff will commence with the preparation and initiation of the Request For Qualifications (RFQ) process for appraisal services, which can take approximately three (3) to six (6) months. Currently, there are appraisals in process that must be completed and anticipated future appraisals that will be required in order to continue the acquisition and negotiation practices for development in the City.

FINANCIAL /FUNDING ISSUES AND SOURCES

Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachments: Agreement for Goeppner and Associates Appraisal Services

LEGAL REVIEW VERIFICATION:

This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Marla Stevens, Development Coordinator

PROOFREAD FOR ACCURACY: Margarita Cruz

Approved for Agenda

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2011 JUN -2 AM 11:17

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 7, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Community Development Department

SUBJECT: Selection of Tetra Tech, Ninyo & Moore, and E2 ManageTech, Inc., for Three-Year Contracts to Perform Phase I and Phase II Environmental Site Assessment Consulting Services (110105-02)

RECOMMENDATION

It is recommended that the Mayor/Chairman and Council/Agency Members approve the selection of three firms to perform Phase I and Phase II environmental site assessment consulting services for City/Agency- owned properties; and approve three-year agreements with each firm not to exceed $200,000 each. These services will be funded by tax increment and Federal Aviation Administration (FAA) grant funds.

1) Select Tetra Tech and approve an agreement;
2) Select Ninyo & Moore and approve an agreement;
3) Select E2 ManageTech, Inc. and approve an agreement.

BACKGROUND

Acquisition of privately-owned properties is one of many activities the Agency performs independently and on behalf of the City in order to recycle incompatible properties to appropriate land uses best suited to a given area. The Agency currently has no contracts with environmental consultants that can perform lead-based paint and asbestos surveys. As a consequence the Agency is unable to take the first step needed before demolition of Agency-owned buildings can occur.

The Agency issued a Request For Qualifications ("RFQ") in February 2010, for the services of environmental consultants, as part of an "as needed" contract to provide professional services in the field of hazardous material abatement (i.e., lead paint, asbestos, soil contamination, etc.) to evaluate, prepare specifications, and handle the abatement of hazardous materials. The City/Agency intent is to establish a list of prequalified environmental consultants based on the RFQ proposals received. The list is comprised of consultants that meet the prerequisites and criteria outlined in the solicitation for services. The creation of a list provides the Agency with the infrastructure to respond quickly to the service needs of the Agency avoiding the long term vacancy of Agency- held buildings.

12 & R-4

The RFQ allowed firms to submit qualifications demonstrating expertise in all or a portion of the services listed. The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. The three-year term was selected to reduce the administrative efforts of repeating the RFQ process annually. To insure the consultants provide competitive pricing for the work requested, three consultants are being placed on contract. As services are needed, bids will be requested from the firms under contract asking for their approach and costs. In most instances the lowest bid will be awarded the work and asked to proceed. Placing these vendors under contract for a three-year term enables the City/Agency to improve response time when handling the environmental assessment needs of the City/Agency.

To assist the Agency/City in establishing the prequalified consultants list, a "Selection Team" of individuals who could adequately assess the scientific qualifications of the submittals and assist Agency staff relative to selected scientific aspects of each proposal was created. Walt Lauderdale from Tierra West Advisors, Inc., and Mohamed Esteri from Eco and Associates (ECO) provided their expertise in this area and assisted Agency staff in evaluating the proposals received.

The Agency received twenty-three (23) proposal responses to the RFQ. Each of the proposal responses were reviewed by the Selection Team and assessed based upon the six (6) categories below:

- Completeness
- Responsiveness
- Qualifications
- Experience
- Conflicts
- Costs

Proposal responses were submitted by the firms listed in the table below.

Table 1

City of Inglewood	
Environmental Consultant Services Request For Qualifications	
Consultants Who Submitted Proposals	
A-Tech Consulting, Inc.	SCA Environmental, Inc.
Odic Environmental	The Planning Center
Barr & Clark	Leighton Consulting, Inc.
UE Environmental, Inc.	Coffey Environmental
Masek Consulting Services, Inc.	Winzler & Kelly
Targhee Environmental Consulting	Locus Technologies
Environ International Corp.	E2 Manage Tech, Inc.
ACC Environmental Consultants	Millennium Consulting Associates
Ninyo & Moore	Erler & Kalinowski, Inc.

Andersen Environmental	ATC Associates
Iris Environmental	AEI Consultants
Sigma Engineering, Inc.	

Utilizing the six Categories listed above and the criteria outlined in the RFQ, an evaluation matrix was developed. The matrix is comprised of information relevant to each firm that submitted a proposal. Line item evaluation criteria based upon the City's /Agency's requirements was included to assess the proposal responses. The matrix contains information pertaining to each firm's location, years of experience, type of experience, key personnel, licensing, and special certifications.

To determine the overall qualifications of the proposals submitted, a point scoring system was established to be used in conjunction with the information derived from the evaluation matrix wherein certain response elements were weighed based upon importance and the overall benefits to the Agency/City. Ratings were based on the point scoring system which is outlined in the following Table 2.

Table 2

Scoring Criteria	Points
Experience • Qualification of the Firm and Years Experience • Scope and Scale of Previous Projects • Comparability of Clients on Previous Projects	30
Project Management • Management Approach • Management team • Staff Availability	25
Other Specialty Experience & Qualifications • Education • Certifications • MBE/WBE/DBE/DVBE	10
Cost Efficiency • Lump Sum Fee Service • Fee Schedule	10
Total	75

Once the scoring of the proposals was complete a ranking system was established which consisted of three (3) tiers. The tier rankings are labeled Tier A through Tier C. Tier A is the highest ranking tier; and Tier C was considered the lowest tier. Tier A is based on a point score range of 60 points or greater. Tier B is based upon a scoring range of 55 points to 59 points, while Tier C is based upon a point score of 54 points or less.

Seven (7) firms were ranked in the Tier A Category. Each firm in the Tier A provides Phase 1 and Phase II environmental services with the exception of one firm that provides both Phase I and Phase II environmental services and in-house lead and asbestos services. The following Table 3 lists the firms in Tier A and the services they provide.

Six (6) firms were ranked in the Tier B category. Four of the firms provide Phase I and Phase II environmental services and two of the firms from the Tier B category provide in-house lead and asbestos services.

Table 3

Tier A Firms	Phase I & Phase II	Lead & Asbestos
Tetra Tech	X	
Ninyo & Moore	X	
Environ	X	
E2	X	
Winzler	X	X
Coffey Env	X	
The Planning Center	X	

The following Table 4 lists the firms in Tier B and the services they provide.

Table 4

Tier B Firms	Phase I & Phase II	Lead & Asbestos
Targhee Environmental Consulting	X	
Millennium Consulting Associates		X
ATC Associates	X	
Converse Consultants	X	
AEI Consultants	X	
ACC Environmental Consultants		X

Twelve (12) firms were ranked in the Tier C category. Eight firms in Tier C provide Phase I and Phase II environmental services and four (4) of the firms from the Tier C category provide in-house lead and asbestos services. Table 5 lists the firms in Tier C and the services they provide.

Many of these firms submitted a response requesting to be considered for all the services listed with the intent of sub-contracting. Six (6) firms provide only lead-based paint and asbestos survey services and one (1) firm provides both services. The RFQ allowed submittal for a portion of the services required and the submittals clearly demonstrate responses for two distinct types of services. Based upon the proposal reviews and discussions between City staff, Tierra West and ECO, it was concluded that it would be advantageous to the City/Agency to have two separate lists of consultants. One list would contain a group of consultants that provide Phase I and

Phase II services. The second list would be for those firms that provide lead and asbestos related services.

Table 5

Tier C Firms	Phase I & Phase II	Lead & Asbestos
A-Tech Consulting, Inc.		X
Odic Environmental	X	
Barr & Clark		X
UE Environmental, Inc.	X	
Masek Consulting Services, Inc.		X
Andersen Environmental		X
Iris Environmental	X	
Sigma Engineering, Inc.	X	
SCA Environmental, Inc.	X	
Erler & Kalinowski, Inc.	X	
Leighton Consulting, Inc.	X	
Locus Technologies	X	

Firms on the list to provide Phase I and Phase II services turned out to be the larger firms with many years of experience. These firms however, do not provide in-house lead and asbestos services and would have to contract out such work to sub-consultants. This tends to result in greater fees and delays in service time. To this end, the Selection Committee recommended a second list made up of firms that provide the lead and asbestos services which would also allow for some of the experienced smaller firms to have opportunities to work with the City/Agency. Listed in Table 6 below are the firms that generated high scores as a result of the ranking process. The table lists the eleven (11) firms by capabilities and areas of service.

Table 6

Phase I & Phase II	Lead & Asbestos	Both
Tetra Tech	Winzler	Winzler
Ninyo & Moore	Millennium	
Environ	ACC	
E2	Anderson	
Winzler	Masek	
Coffey Env		
The Planning Center		

The rankings from the scoring system were then used in identifying the top three firms from the Phase I & Phase II list and the Lead-Based Paint and Asbestos list. The top three for Phase I and Phase II environmental firms were Tetra Tech, Ninyo and Moore and Environ; Environ later withdrew their proposal so the firm of E2 Manage Tech. Inc., rose from fourth ranking to third ranking, as listed on Table 7 which follows. The top

three firms for lead-based paint and asbestos services are Winzler & Kelly, Millennium and ACC Environmental Consultants, are listed on Table 8.

Table 7

Environmental RFP Selection Results Environmental Consulng & Phase 1/Phase 2 Services Environmental Consulting Teams			
Evaluation Criteria and Points	Tetra Tech	Ninyo & Moore	E2 Manage Tech
Experience (30 pts)	30	28	26
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	22	23	20
Other Specialty Experience & Qualifications (10 pts)	9	8	7
Cost Efficiency (10 pts)	7	8	8
Total (100 pts. Possible)	68	64	61

Table 8

Environmental RFP Selection Results Environmental Consulting & Lead & Asbestos Services Environmental Consulting Teams			
	Winzler & Kelly	Millennium Consulting Associates	ACC Environmental Consultants
Evaluation Criteria and Points	asbestos/lead	more asbestos/lead	asbestos
Experience (30 pts)	28	21	21
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	18	18	18
Other Specialty Experience & Qualifications (10 pts)	7	7	8
Cost Efficiency (10 pts)	7	10	8
Total (100 pts. Possible)	60	56	55

DISCUSSION

The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. As services are needed, bids will be requested from the firms under contract asking for their approach, costs and timing. In most instances the lowest bid will be awarded the work and asked to proceed. By placing these vendors under contract for a three-year term it allows the City/Agency the ability to improve response time when handling the environmental assessment needs of the City/Agency.

Each of the three firms, Tetra Tech, Ninyo & Moore, and E2 Manage Tech Incorporated, demonstrated extensive experience working with redevelopment agencies in conducting Phase I and II environmental assessments, providing effective and efficient project management of environmental assessments as well as extensive knowledge of environmental laws. Remediation or abatement activities are not contemplated under these contracts. If such work is required they will be handled under a separate bid process. It is recommended that the City/Agency approve an Agreement with each of these firms in the amount up to $200,000 each for a thirty-six month period.

The Consultants will identify environmental concerns attributed to current and past property uses, determine liability and business risks related to environmental issues on a property, handle the review and analysis of environmental documents, and provide counsel to the City/Agency (as needed) on environmental matters dealing with the acquisition and demolition of properties acquired by the Agency on behalf of the City.

The immediate need for these services is at the City-owned property at Glasgow Avenue and Olive Street currently under the Regional Water Quality Control Boards oversight. The Agency has been directed to install wells on that property and monitor the wells for a minimum of one year. There are also Agency-owned properties that have not undergone environmental review that may require the preparation of a Phase I environmental assessment, such as the Century Printing Press property on 4016-4020 West Century Boulevard.

ADDITIONAL CONSIDERATIONS

The list of qualified environmental consultants shall expire after a thirty-six month period, or after all of the Agency/City-owned properties have undergone environmental assessment activities, or by December 31, 2014, whichever occurs first.

FINANCIAL/FUNDING ISSUES AND SOURCES

The service contract for each of the three firms is for a thirty-six month period (three years) in an amount not to exceed $200,000 (two hundred thousand dollars) each. Funds for the three service contracts are available in the amount of $150,000 in account 160-030-3040-44830 (Tax Increment Fund) and are available in the amount of

$450,000 in account 222-100-P732-44830 (Grant Funds) to cover the three agreements.

DESCRIPTION OF ANY ATTACHMENTS
Attachment A Agreement for Tetra Tech
Attachment B Agreement for Ninyo & Moore
Attachment C Agreement for E2 Manage Tech., Incorporated

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator

CITY/AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Marla Stevens for M. Cruz

RECEIVED
CITY CLERK
CITY OF INGLEWOOD
2011 JUN -7 AM 11:17

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: June 7, 2011

TO: Mayor and Council Members
Chairman and Agency Members

FROM: Community Development Department

SUBJECT: Selection of Winzler & Kelly, Millennium Consulting Associates, and ACC Environmental Corp for Three-Year Contracts to Perform Asbestos/Lead-Based Paint Survey Site Assessment Consulting Services (110105-01)

RECOMMENDATION

It is recommended that the Mayor/Chairman and Council/Agency Members approve the selection of three firms to perform asbestos/lead-based paint survey consulting services for City/Agency-owned properties; and approve three-year agreements with each firm not to exceed $200,000 each. These services will be funded by Federal Aviation Administration (FAA) grant funds.

1) Select Winzler & Kelly and approve agreement;
2) Select Millennium Consulting Associates and approve agreement;
3) Select ACC Environmental Corp and approve agreement.

BACKGROUND

Acquisition of privately-owned properties is one of many activities the Agency performs independently and on behalf of the City in order to recycle incompatible properties to appropriate land uses best suited to a given area. The Agency currently has no contracts with environmental consultants that can perform lead-based paint and asbestos surveys. As a consequence the Agency is unable to take the first step needed before demolition of Agency-owned buildings can occur.

The Agency issued a Request For Qualifications ("RFQ") in February 2010, for the services of environmental consultants, as part of an "as needed" contract to provide professional services in the field of hazardous material abatement (i.e., lead paint, asbestos, soil contamination, etc.) to evaluate, prepare specifications, and handle the abatement of hazardous materials. The City/Agency intent is to establish a list of prequalified environmental consultants based on the RFQ proposals received. The list is comprised of consultants that meet the prerequisites and criteria outlined in the solicitation for services. The creation of a list provides the Agency with the infrastructure to respond quickly to the service needs of the Agency avoiding the long term vacancy of Agency- held buildings.

13 & R-5

The RFQ allowed firms to submit qualifications demonstrating expertise in all or a portion of the services listed. The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. The three-year term was selected to reduce the administrative efforts of repeating the RFQ process annually. To insure the consultants provide competitive pricing for the work requested, three consultants are being placed on contract. As services are needed, bids will be requested from the firms under contract asking for their approach and costs. In most instances the lowest bid will be awarded the work and asked to proceed. Placing these vendors under contract for a three-year term enables the City/Agency to improve response time when handling the environmental assessment needs of the City/Agency.

To assist the Agency/City in establishing the prequalified consultants list, a "Selection Team" of individuals who could adequately assess the scientific qualifications of the submittals and assist Agency staff relative to selected scientific aspects of each proposal was created. Walt Lauderdale from Tierra West Advisors Inc., and Mohamed Esteri from Eco and Associates (ECO) provided their expertise in this area and assisted Agency staff in evaluating the proposals received.

The Agency received twenty-three (23) proposal responses to the RFQ. Each of the proposal responses were reviewed by the Selection Team and assessed based upon the six (6) categories below:

- Completeness
- Responsiveness
- Qualifications
- Experience
- Conflicts
- Costs

Proposal responses were submitted by the firms listed in the table below.

Table 1

City of Inglewood	
Environmental Consultant Services Request For Qualifications	
Consultants Who Submitted Proposals	
A-Tech Consulting, Inc.	SCA Environmental, Inc.
Odic Environmental	The Planning Center
Barr & Clark	Leighton Consulting, Inc.
UE Environmental, Inc.	Coffey Environmental
Masek Consulting Services, Inc.	Winzler & Kelly
Targhee Environmental Consulting	Locus Technologies
Environ International Corp.	E2 Manage Tech, Inc.
ACC Environmental Consultants	Millennium Consulting Associates
Ninyo & Moore	Erler & Kalinowski, Inc.

Andersen Environmental	ATC Associates
Iris Environmental	AEI Consultants
Sigma Engineering, Inc.	

Utilizing the six Categories listed above and the criteria outlined in the RFQ, an evaluation matrix was developed. The matrix is comprised of information relevant to each firm that submitted a proposal. Line item evaluation criteria based upon the City's /Agency's requirements was included to assess the proposal responses. The matrix contains information pertaining to each firm's location, years of experience, type of experience, key personnel, licensing, and special certifications.

To determine the overall qualifications of the proposals submitted, a point scoring system was established to be used in conjunction with the information derived from the evaluation matrix wherein certain response elements were weighed based upon importance and the overall benefits to the City/Agency. Ratings were based on the point scoring system which is outlined in the following table.

Table 2

Scoring Criteria	Points
Experience • Qualification of the Firm and Years Experience • Scope and Scale of Previous Projects • Comparability of Clients on Previous Projects	30
Project Management • Management Approach • Management Team • Staff Availability	25
Other Specialty Experience & Qualifications • Education • Certifications • MBE/WBE/DBE/DVBE	10
Cost Efficiency • Lump Sum Fee Service • Fee Schedule	10
Total	75

Once the scoring of the proposals was completed a ranking system was established which consisted of three (3) tiers. The tier rankings are labeled Tier A through Tier C. Tier A is the highest ranking tier; and Tier C was considered the lowest tier. Tier A is based on a point score range of 60 points or greater. Tier B is based upon a scoring range of 55 points to 59 points, while Tier C is based upon a point score of 54 points or less.

Seven (7) firms were ranked in the Tier A Category. Each firm in the Tier A provides Phase I and Phase II environmental services with the exception of one firm from the

Tier A category provides both Phase I and Phase II environmental services and in-house lead and asbestos services. The following Table 3 lists the firms in Tier A and the services they provide.

Table 3

Tier A Firms	Phase I & Phase II	Lead & Asbestos
Tetra Tech	X	
Ninyo & Moore	X	
Environ	X	
E2	X	
Winzler	X	X
Coffey Env	X	
The Planning Center	X	

Six (6) firms were ranked in the Tier B category. Four of the firms provide Phase I and Phase II environmental services and two firms from the Tier B category provide in-house lead and asbestos services. The following Table 4 lists the firms in Tier B and the services they provide.

Table 4

Tier B Firms	Phase I & Phase II	Lead & Asbestos
Targhee Environmental Consulting	X	
Millennium Consulting Associates		X
ATC Associates	X	
Converse Consultants	X	
AEI Consultants	X	
ACC Environmental Consultants		X

Twelve (12) firms were ranked in the Tier C category. Eight (8) firms in Tier C provide Phase I and Phase II environmental services and four (4) of the firms from the Tier C category provide in-house lead and asbestos services. Table 5 lists the firms in Tier C and the services they provide.

Many of these firms submitted a response requesting to be considered for all the services listed with the intent of sub-contracting. Six (6) firms provide only lead- based paint and asbestos survey services and one (1) firm provide both services. The RFQ allowed submittal for a portion of the services required and the submittals clearly demonstrate responses for two distinct types of services. Based upon the proposal reviews and discussions between City staff, Tierra West and ECO, it was concluded that it would be advantageous to the City/Agency to have two separate lists of consultants. One list would contain a group of consultants that provide Phase I and Phase II services. The second list would be for those firms that provide lead-based paint and asbestos related services.

Table 5

Tier C Firms	Phase I & Phase II	Lead & Asbestos
A-Tech Consulting, Inc.		X
Odic Environmental	X	
Barr & Clark		X
UE Environmental, Inc.	X	
Masek Consulting Services, Inc.		X
Andersen Environmental		X
Iris Environmental	X	
Sigma Engineering, Inc.	X	
SCA Environmental, Inc.	X	
Erler & Kalinowski, Inc.	X	
Leighton Consulting, Inc.	X	
Locus Technologies	X	

Firms on the list to provide Phase I and Phase II services turned out to be the larger firms with many years of experience. These firms however, do not provide in-house lead-based paint and asbestos services and would have to contract out such work to sub-consultants. This tends to result in greater fees and delays in service time. To this end, the Selection Committee recommended a second list made up of firms that provide the lead based paint and asbestos services which would also allow for some of the experienced smaller firms to have opportunities to work with the City/Agency. Listed in Table 6 below are the firms that generated the highest scores as a result of the ranking process. The table lists the eleven (11) firms by capabilities and areas of service.

Table 6

Phase I & Phase II	Lead & Asbestos	Both
Tetra Tech	Winzler	Winzler
Ninyo & Moore	Millennium	
Environ	ACC	
E2	Anderson	
Winzler	Masek	
Coffey Env		
The Planning Center		

The rankings from the scoring system were then used in identifying the top three firms from the Phase I & Phase II list and the Lead-Based Paint and Asbestos list. The top three for Phase I and Phase II environmental firms were Tetra Tech, Ninyo and Moore and Environ; Environ later withdrew their proposal so the firm E2 Manage Tech. Inc., rose from fourth ranking to third ranking, as listed on Table 7 which follows. The top

three firms for lead-based paint and asbestos services are Winzler & Kelly, Millennium and ACC Environmental Consultants, as listed on Table 8.

Table 7

Environmental RFP Selection Results Environmental Consulting & Phase 1/Phase 2 Services Environmental Consulting Teams			
Evaluation Criteria and Points	Tetra Tech	Ninyo & Moore	E2 Manage Tech
Experience (30 pts)	30	28	26
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	22	23	20
Other Specialty Experience & Qualifications (10 pts)	9	8	7
Cost Efficiency (10 pts)	7	8	8
Total (100 pts. Possible)	68	67	61

Table 8

Environmental RFP Selection Results Environmental Consulting & Lead & Asbestos Services Environmental Consulting Teams			
	Winzler & Kelly	Millennium Consulting Associates	ACC Environmental Consultants
Evaluation Criteria and Points	asbestos/lead	more asbestos/lead	asbestos
Experience (30 pts)	28	21	21
Qualification of the Firm and Years of Experience (20 pts) Scope/Scale of Previous Projects (5 pts) Comparability of Clients on Previous Projects (5 pts)			
Project Management (25 pts)	18	18	18
Other Specialty Experience & Qualifications (10 pts)	7	7	8
Cost Efficiency (10 pts)	7	10	8
Total (100 pts. Possible)	60	56	55

DISCUSSION

The intent of the RFQ was to place the most qualified firms under contract to provide services as needed for a three-year term. As services are needed, bids will be requested from the firms under contract asking for their approach, costs and timing. In most instances the lowest bid will be awarded the work and asked to proceed. By placing these vendors under contract for a three-year term it allows the City/Agency the ability to improve response time when handling the environmental assessment needs of the City/Agency.

Each of the three firms Winzler & Kelly, Millennium Consulting Associates and ACC Environmental Corp demonstrated extensive experience working with redevelopment agencies in conducting asbestos/lead-based paint surveys, providing effective and efficient project management of environmental assessments as well as extensive knowledge of environmental laws. Remediation or abatement activities are not contemplated under these contracts. If such work is required they will be handled under a separate bid process. It is recommended that the City/Agency approve an Agreement with each of these firms in an amount up to $200,000 each for a thirty-six month period.

The Consultants will identify environmental concerns attributed to current and past property uses, determine liability and business risk related to environmental issues on a property, handle the review and analysis of environmental documents, and provide counsel to the City/Agency on environmental matters dealing with the acquisition and demolition of properties acquired by the Agency on behalf of the City.

The immediate need for these services is at the City-owned properties located along 102nd Street between Doty Avenue and Prairie Avenue as well as the Century Press property located at 4016 – 4020 West Century Boulevard and the former transitional housing facility (halfway house) located at 4026-4028 West Century Boulevard. Lead-based paint and asbestos surveys will be completed for these properties which is the first step in the demolition process.

ADDITIONAL CONSIDERATIONS

The list of qualified environmental consultants shall expire after a thirty-six month period, or after all of the Agency/City-owned properties have undergone environmental assessment activities, or by December 31, 2014, whichever occurs first.

FINANCIAL/FUNDING ISSUES AND SOURCES

The service contract for each of the three firms is for a thirty-six month period (three years) in an amount not to exceed $200,000 (two hundred thousand dollars) each. Funds in the amount of $600,000 to cover the three agreements are available in account 222-100-P732-44830 (Grant Funds).

DESCRIPTION OF ANY ATTACHMENTS

Attachment A Agreement for Winzler & Kelly

Attachment B Agreement for Millennium Consulting Services
Attachment C Agreement for ACC Environmental Corp

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator

CITY/AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita Cruz

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood
All-America City
2009

DATE: May 3, 2011

TO: Mayor and Council Members
Redevelopment Agency

FROM: Agency Counsel
City Attorney

SUBJECT: Request to Approve Agreement with Kane Ballmer & Berkman to Provide Legal Services to the Inglewood Redevelopment Agency and City of Inglewood

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RECOMMENDATION

It is recommended that the Chairman and Agency Members and the Mayor and Council Members approve an Agreement with Kane Ballmer & Berkman to provide legal advice and legal representation for the Inglewood Redevelopment Agency and the City of Inglewood, regarding redevelopment matters. This contract covers work in progress, work that has been performed and work in the future. The contract amount is $100,000.

BACKGROUND INFORMATION

Kane Ballmer & Berkman has been handling a number of redevelopment matters for the Inglewood Redevelopment Agency for a few years. They provided advice regarding the plans for and legal issues surrounding the planned construction of the Senior Center and a host of other redevelopment matters. There is a need to continue to utilize their services in connection with redevelopment matters which require specialized legal knowledge.

DISCUSSION

During the past few years, Kane Ballmer & Berkman and their highly competent legal staff have represented the Inglewood Redevelopment Agency and provided legal advice. Their services are very important because the City of Inglewood has a small team of attorneys in the City Attorney's Office.

The demands of ongoing litigation require that the City of Inglewood get the best legal advice that is necessary to protect its legal interests. The Office of City Attorney advises the City Council and all city departments on a day to day basis. It is necessary to retain outside legal counsel to represent the City in redevelopment matters.

A-3 & R-5

The decision to retain outside legal counsel is very important because of the specialized knowledge required in many cases facing the city. While on the surface it seems that the money being spent on outside legal counsel is large, the consequences of not hiring the best legal counsel available can be much more expensive.

ADDITIONAL CONSIDERATIONS
None at this time.

FINANCIAL/FUNDING ISSUES AND SOURCES
Contract Services-Comm Dev & HSG 160-030-3040-44830

DESCRIPTION OF ANY ATTACHMENTS
Amendment to the Agreement.

LEGAL REVIEW VERIFICATION CPS
This report, in its entirety, has been submitted, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report in its entirety, has been submitted, reviewed and approved by the Finance Department.

PREPARED BY:
Cal P. Saunders, City Attorney

COUNCIL PRESENTER:
Cal P. Saunders, City Attorney

PROOFREAD FOR ACCURACY: CPS

11-103

AGREEMENT NO.: R-11-006/11-045

THIS AGREEMENT is made and entered into this 3rd day of May, 2011, by and between the CITY OF INGLEWOOD (hereinafter referred to as the "City"), a municipal corporation, One Manchester Boulevard, Inglewood, California 90301 and the INGLEWOOD REDEVELOPMENT AGENCY, (hereinafter referred to as the "Agency"), and KANE BALLMER & BERKMAN (hereinafter referred to as "Special Counsel,") with its principal place of business located at 515 S. Figueroa Street, Suite 1850, Los Angeles, California 90071, and covers work now in progress or that has previously been completed under the prior agreement which has no expiration date.

WHEREAS, the City and/or the Agency (hereinafter referred to as the "Owner") is engaged in various litigation and transactional matters in which it is represented by Special Counsel; and

WHEREAS, the Owner is desirous of continuing this professional relationship; and

WHEREAS, Special Counsel is desirous of continuing to provide the Owner with legal representation and to be capable, qualified and experienced in providing such services and representation;

NOW, THEREFORE, the City, the Agency and Special Counsel, (hereinafter collectively referred to as the "Parties") hereto agree as follows:

ARTICLE 1 - LEGAL INCAPACITY OF THE AGENCY

The Parties, by entering into this Agreement, understand and agree that if the Agency is unable to perform its obligations due to its dissolution, the suspension of its powers, or other legal incapacity, then the City, without the need for further action, shall perform all of the duties and obligations that were to be performed by the Agency and shall have the benefit of all of the Agency's rights, remedies and interests and Special Counsel, without the need for further action, shall perform for the City all of the duties and obligations that it owed to the Agency under this

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

CITY OF INGLEWOOD

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
City Clerk

APPROVED AS TO FORM:

Cal P. Saunders,
City Attorney

INGLEWOOD REDEVELOPMENT AGENCY

James T. Butts, Jr.,
Mayor

ATTEST:

Yvonne Horton,
Agency Secretary

APPROVED AS TO FORM:

Cal P. Saunders,
Agency Counsel

KANE, BALLMER & BERKMAN

Royce K. Jones, Esq.,
Special Counsel

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Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: March 1, 2011

TO: Inglewood Redevelopment Agency

FROM: Community Development Department

SUBJECT: Agreement with DHA Consulting, to Provide Financial Consulting Services (110118-08)

RECOMMENDATION

It is requested that the Chairman and Agency Members approve the Agreement for certain financial planning and regulatory reporting requirement services with DHA Consulting Firm (DHA) for the term of two years, beginning March 1, 2011 for the maximum amount of $125,000.

BACKGROUND INFORMATION /DISCUSSION

The Redevelopment Agency (Agency) is required to meet certain financial planning and regulatory reporting requirements. The firm of DHA has extensive expertise preparing the required regulatory reports and has provided financial and technical consulting services pursuant to activities undertaken by the Agency. DHA assisted the Agency in preparing the AB1389 pass through accounting report in the fall of 2009 that resulted in payments owed to the City and other taxing agencies for the time period between 2003 through 2008. DHA also prepared the 2009 and 2010 AB 1290 taxing agencies pass through reports. Additionally, the firm worked closely with the Finance Department to develop a financial assessment and cash flow planning model for the Master Plan presented to the Agency in June 2010.

Ongoing assistance is needed for financial planning and preparation of regulatory reports to ensure the Agency meets its state regulatory requirements. The legally mandated reports are complex and require a special expertise not currently available to the Agency. Also, the reduction in workforce has impacted the Agency's ability to complete some of the reports that were previously completed in-house by the Finance department. DHA has been asked to prepare two reports that need to be prepared for the upcoming 2010-2011 fiscal year and to complete various reports needed on an annual basis over a two-year period, 2010-2011 and 2011-2012.

The scope of work includes the following:

R-5

Housing Compliance Audit
Within the Master Plan presented to the Agency June 30, 2010, it was recommended that a Housing Compliance Audit be prepared for the Agency. The overriding goal of the audit will be to identify systems and procedures that have caused or are likely to cause problems complying with regulatory requirements. This is a one time study.

Implementation Plan
Health and Safety Code (H&SC) Section 33490 requires the Agency to prepare an implementation plan every five years. The last plan period was 2006-07 to 2010-11. A new five-year plan needs to be adopted for the next five-year period from 2011-12 to 2015-16. There are very specific elements that must be included with the plan as required by law. Approval of the plan should take place prior to the termination of the existing plan.

Other Reports
Other regulatory reports that will be prepared include: The Statement of Indebtedness, Annual HCD Report, Annual State Controller Report and Calculation of Annual tax sharing obligations (AB1290 Pass Throughs). Additional financial planning activities that will assist the Agency going forward include preparation of the Tax Increment Revenue Projects, preparation of Revenue and Expenditure Cash Flows, and other reports as needed during the two-year term. See Proposal for Consulting Services (Exhibit "A") for a detailed description of the activities to be performed.

The services described above are proposed to be completed on a time and material basis and only on specific request of Agency staff. An estimated costs by task schedule for DHA is presented in the attached proposal and Agreement. The charges for these services would be for time worked on the projects. The Housing Compliance Audit will take approximately 160 hours of the Principal's time and 20 hours of the Analyst's time. The Implementation Plan will take approximately 126 hours of the Principal's time and 20 hours of the Analyst's time. These are two of the major functions to be performed under the Agreement.

ADDITIONAL CONSIDERATIONS
DHA's hourly rates for services provided are $150 an hour for the President and $55 an hour for the Administrative Analyst. The Agreement is subject to termination at the Agency's discretion or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the Executive Director.

Should the Agreement for the subject services not be approved, the Agency will risk being out of compliance with regulatory requirements in all areas mentioned in the discussion. Another consultant with the same experience would have to be sought to perform the necessary functions outlined in this report.

FINANCIAL /FUNDING ISSUES AND SOURCES
Funds for the Agreement are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:
Attachments: Agreement for DHA Consulting Services

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VARIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Administrator
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY:

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Request to Approve the Agreement with Tierra West Advisors (TWA) For Economic Consulting Services (111024-01)

RECOMMENDATION

It is recommended that the Mayor and Council Members approve the Agreement for economic consulting services with Tierra West Advisors (TWA) in the amount of $50,000, beginning January 31, 2012.

BACKGROUND INFORMATION

The City requires the assistance of a qualified economic consultant to analyze development proposals and pro formas. The firm of Tierra West Advisors (TWA) was hired to assist in a specific area within the City of Inglewood. TWA will be focusing on the Imperial/Prairie and Century Boulevard corridor. The firm will be available for services in other areas, if needed. Their recent projects consist of mixed-use commercial/residential developments, regional malls, "big box" retailers, outlet malls, auto malls and stand-alone auto dealerships.

On September 3, 2008, a Request for Qualifications (RFQ) was distributed to firms, soliciting an economist to assist in the preparation of economic analysis, developer negotiations and implementation strategies. Staff received responses from five (5) consultants which included Tierra West Advisors (TWA), Keyser Marston Associates (KMA), Kosmont Companies, CBRE Consulting, Inc. and Economics Research Associates (ERA). Staff evaluated the consultants who were ranked on their qualifications, previous projects, technical expertise and their presentations. TWA was selected based upon having the highest ranking.

DISCUSSION

The firm of TWA has provided its skill and expertise in these areas and it is requested that these services be continued. The firm has provided economic analysis on City/Agency projects for the past three years. They have provided a level of service to facilitate analysis of long term projects that will require periodic update as well as analysis of future proposed development projects. The services will provide staff with the technical expertise in the analysis of cost projections of proposed developments and projections of economic performance for the completed developments. The data generated by TWA would advise

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www.cityofinglewood.org

CD-2

as to the economic feasibility of a development project and determine which type of businesses could survive and generate tax revenue for the City.

Pursuant to the Inglewood Municipal Code, Section 2-198.3, Professional Type Contracts Excluded: Nothing shall be construed to preclude the City from awarding a written contract for professional type services as defined by case or statutory law, without complying with the provisions of this Article (Ord.2387). Professional Services as defined by the Inglewood Municipal Code, Section 8-1.40. "Professional Services" shall mean any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any person engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractics and optometry.

ADDITIONAL CONSIDERATIONS
None

FINANCIAL/FUNDING ISSUES AND SOURCES
Funds in the amount of $50,000 are budgeted under account code 160-030-3040-4830 (Redevelopment Fund – Contract Services) for this Agreement.

DESCRIPITION OF ANY ATTACHMENTS
Attachment 1: Agreement

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: _____

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Agreement with Sanli, Pastore & Hill to Provide Appraisal Services for the Redevelopment Agency and City (120119-01)

RECOMMENDATION

It is recommended that the Mayor and City Council (City) approve the Agreement for certain goodwill appraisal services with Sanli, Pastore & Hill (Sanli) for the term of two years, beginning January 31, 2012, for a maximum amount of $60,000 (Redevelopment Funds).

BACKGROUND

The Agency, on behalf of the City, has ongoing redevelopment projects throughout the City's Merged Redevelopment Project Areas. To acquire properties and develop these projects, the City requires the services of a qualified and experienced appraisal firm to determine goodwill values in support of the acquisition process through negotiated sales. Sanli conducts goodwill valuations, which consist of the benefits that accrue to a business as a result of location, reputation for dependability and quality. It is the intangible value of a business above the value of the tangible assets. The firm then advises the City, in writing, of its opinion of the fair market value of each. Furniture, Fixture and Equipment appraisals provide full narratives of the improvements pertaining to the realty and movable equipment used in the business. The firm also has extensive expert witness testimony experience and is fully qualified as an expert witness in various courts in southern California. The firm is located in Los Angeles, California.

DISCUSSION

Goodwill valuation is a separate and very complex specialty, which is a subset of a business valuation. Sanli, Pastore & Hill is a specialist business valuation firm that has provided appraisal services for the Agency over eighteen years. Annually, a budget is prepared that reflects staff's projections for appraisal services.

Pursuant to the Inglewood Municipal Code, Section 2-198.3, Professional Type Contracts Excluded; nothing shall be construed to preclude the City from awarding a written contract for professional type services as defined by case or statutory law, without complying with the provisions of this Article (Ord.2387).

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CN-4

Professional Services as defined by the Inglewood Municipal Code, Section 8-1.40. Professional Services as follows:

> "Professional Services" shall mean any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any person engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractics and optometry.

ADDITIONAL CONSIDERATIONS
Anticipated future goodwill appraisals will be required to facilitate the sale of Agency-owned property with tenants at 101 North Market Street.

FINANCIAL /FUNDING ISSUES AND SOURCES
Funds in the amount of $60,000 are budgeted under account code 160-030-3040-44830 (Redevelopment Fund – Contract Services) for this Agreement.

DESCRIPTION OF ANY ATTACHMENTS:
Attachments: Agreement for Sanli, Pastore & Hill Goodwill Appraisal Services

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Redevelopment Coordinator
Sylvia Baker, Senior Redevelopment Specialist

AGENCY PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita S

Approved for Agenda

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

Inglewood All-America City 2009

DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Agreement with Paragon Partners Ltd. (Paragon) to Provide Relocation Consultant Services for the City of Inglewood and Adopt a Resolution Amending the Fiscal Year 2011-2012 Budget (110720-02)

RECOMMENDATION

It is recommended that the Mayor and Council Members take the following actions:

1) Approve a two-year agreement with Paragon Partners for certain relocation consultant services beginning January 31, 2012 for a maximum amount of $60,000 (Housing Set-Aside Funds); and

2) Adopt a resolution amending the fiscal year 2011-2012 budget.

BACKGROUND

The City owned parcel located at 101 North Market is occupied by three businesses which may need to be relocated pending determination of the future use of the site. Paragon Partners has over fifteen years of extensive experience in providing relocation assistance and property management services for cities, counties, redevelopment agencies, utilities and railroads, as well as state and federal agencies. The firm is located in Huntington Beach, California.

DISCUSSION

Due to the recent state legislature crisis and the threat of the elimination of redevelopment Agencies, staff has spent an enormous amount of time responding to the necessary steps required to meet the challenge imposed by the state, which will impact all future agreements that provide professional services to the Agency and City. Had the state crisis not occurred, staff would have been able to conduct a Request For Qualifications (RFQ) process. Consequently, staff is recommending a two year agreement to provide relocation consultant services to the City, with the understanding that an RFQ will be circulated for future services.

Pursuant to the Inglewood Municipal Code, Section 2-198.3, Professional Type Contracts Excluded: Nothing shall be construed to preclude the City from awarding a written contract for professional type services as defined by case or statutory law, without complying with the

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CD-3

provisions of this Article (Ord.2387). Professional Services as defined by the Inglewood Municipal Code, Section 8-1.40 - Professional Services:

"Professional Services" shall mean any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any person engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractics and optometry.

ADDITIONAL CONSIDERATIONS
None

FINANCIAL /FUNDING ISSUES AND SOURCES
Sufficient funds are available within the housing set-a-side unobligated fund balance to cover the expense and will be transferred to account code 169-030-3049-44830 (Housing Set-Aside-Funds – Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:
Attachments: Agreement for Paragon Partners Ltd. Consultant Services

LEGAL REVIEW VERIFICATION:
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATON:
This report, it its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Marla Stevens, Development Coordinator
Sylvia Baker, Senior Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita G

Approved for Agenda

Inglewood All-America City 2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: **January 31, 2012**

TO: **Mayor and Council Members**

FROM: **Community Development Department**

SUBJECT: **Public Hearing of the City Council of the City of Inglewood to Consider Actions Associated with the Approval of the Proposed Disposition and Development Agreement Between the City of Inglewood and K.P. Auto Center L.P. for the Development of Auto Related Uses on the Property Located at the Southwest Corner of Olive Street and Glasgow Avenue in the Merged Inglewood Redevelopment Project Area (La Cienega)**

RECOMMENDATION

It is recommended that the Mayor and Council Members conduct a public hearing to consider the following actions:

1. Adopt the attached resolution certifying the K.P. Auto Center L.P. Mitigated Negative Declaration (Attachment 1)

2. Approve the Disposition and Development Agreement (Agreement) between the City of Inglewood (City) and K.P. Auto Center L.P. (Developer) disposing of the properties located at the Southwest corner of Olive Street and Glasgow Avenue for $1,300,000. (Attachment 2)

3. Adopt the attached resolution approving the Disposition and Development Agreement between the City of Inglewood and K.P. Auto Center L.P. disposing of the properties located at the Southwest corner of Olive Street and Glasgow Avenue for $1,300,000. (Attachment 3)

BACKGROUND

The Inglewood Redevelopment City/Agency (Agency) received an unsolicited proposal from KP Auto Center L.P. (Developer) on August 17, 2009, to purchase city-owned property located at Olive Street and Glasgow Avenue within the Merged Inglewood Redevelopment Project Area (La Cienega). Beginning March 30, 2010, the developer and the City/ Agency have entered into three exclusive negotiating agreements for the development of the site. Those negotiations have been completed.

PH-2

The city-owned 2.72-acre parcel (Sales Parcel) would provide a link between the CarMax facility located at 8611 South La Cienega Boulevard and LAX Hyundai located at 970 West Manchester Boulevard. The Developer seeks City assistance in completing the Inglewood Automotive Center initially envisioned to stretch from La Cienega Boulevard to Isis Avenue. Presently, CarMax occupies 8.3 acres of the auto center and the Developer occupies and holds ownership to approximately 6.72 acres, of which 1.57 acres (Participating Parcel) are located adjacent to the City-owned Sales Parcel. The Participating Parcel and the Sales Parcel are collectively referred to as the Site, which totals 4.29 acres. The Sales Parcel would provide a connection between KP Properties and CarMax. With the addition of the City-owned property, the "Inglewood Auto Mall" concept would result in an approximately 17.72 acres of auto sales and related auto uses in that area.

In June 2011, the Developer was notified that CarMax had terminated its agreement with the Chrysler Dealership, located adjacent to the Project, at 8611 South La Cienega Boulevard. Subsequently, the Developer began negotiating with Chrysler to re-establish the dealership in an effort to retain the Chrysler dealership in the City of Inglewood. In July 2011, the Developer submitted a revised proposal and site design, incorporating a Chrysler Dealership which includes the construction of a one-story 10,000 square-foot building and the retrofitting of an existing 36,000 square-foot building used for automobile service and repair, as well as appropriate and necessary landscaping and parking (Project). If developed as proposed, the Inglewood Auto Mall would include the addition of both LAX Chrysler/Jeep/Dodge/Ram and LAX Hyundai.

The City's economist reviewed and evaluated the Developers original auto mall development proposal and the modified proposal. The analysis reviewed the potential for sales tax revenue to be generated by the project, and calculated the residual land value of the proposed project site. The City economist estimates the fair reuse value at $1.3 million.

DISCUSSION

The proposed Disposition and Development Agreement requires the City to sell the Sales Parcel to the Developer for a purchase price of $1.3 million for the purpose of developing an automobile sales and retail center, which will include the sale of certain ancillary auto parts, automobile parking and other automobile-related uses. After purchasing the Sales Parcel, the Developer will construct a 10,000 square foot building with a 2,000 square foot mezzanine and retrofit an existing 36,000 square foot building, both to be utilized for the aforementioned automobile-related uses (Project). The purpose of the Agreement is to effectuate the Redevelopment Plan (Redevelopment Plan) for the Merged Imperial-Prairie Redevelopment Project Area (Project Area).

The proposed development has the potential to create approximately 60 new jobs and generate approximately $310,000 in general fund revenue for the City of Inglewood. The development of the parcels will serve to meet the objectives of redevelopment by

concentrating actions on selected land assembly and development assistance for commercial and industrial development.

There is a known groundwater issue on the property. The Regional Water Quality Control board has ordered the city to conduct groundwater monitoring. The agreement provides for the City to continue paying for the ground water monitoring and any other required investigation associated with the groundwater.

The Summary Report (Exhibit A) has been prepared pursuant to California Health and Safety Code Section 33433. The report outlines the salient points of the agreement, which summarize the major responsibilities imposed on the Developer and the City by the Agreement, the cost of the project, and the estimated value of the interests to be conveyed at the highest use permitted under the Site's zoning. California Redevelopment Law (Health and Safety Code, sec 33433) requires that prior to the sale of land acquired with tax increment funds, the controlling legislative body, must first approve the sale by resolution after a public hearing.

An Initial Study and Mitigated Negative Declaration (EA-MND-2011-70) was prepared stating that the proposed project, as mitigated, will have no significant adverse impact on the environment. On December 27, 2011, a copy of the initial study and MND was mailed to the Los Angeles County Clerk for posting. A copy of the document has been noticed to be available for public review in the Planning Division office, fourth floor of City Hall.

ADDITIONAL CONSIDERATIONS
This agreement is authorized under the Cooperation Agreement between the City and the Agency providing for the City to carry out certain activities of the Agency approved on January 25, 2011, as amended by the First Amendment dated February 15, 2011 and the Second Amendment dated March 11, 2011

FINANCIAL/FUNDING ISSUES AND SOURCES
The Successor Agency will receive $1,300,000 in land sale proceeds.

DESCRIPTION OF ANY ATTACHMENT
Attachment 1– Section 33433 Report
Attachment 2 – Disposition and Development Agreement
Attachment 3 – Resolution Certifying Mitigated Negative Declaration
Attachment 4 – Resolution Approving the Disposition and Development Agreement

LEGAL REVIEW VERIFICATION
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION

This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager
Christopher Cain, Development Coordinator
Tracie Oaks, Senior Redevelopment Specialist

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita Cruz

Approved for Agenda

Inglewood

All-America City

2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: **January 31, 2012**

TO: **Mayor and Council Members**

FROM: **Community Development Department**

SUBJECT: **Consideration of Disposition and Affordable Housing and Development Agreement and Low and Moderate Income Housing Fund Loan Agreement Between City of Inglewood and Grevillea Housing L.P., Abode Communities, for the Construction of a 62-Unit Affordable Residential Project Located at 100 East Nutwood Street**

RECOMMENDATION

It is requested that the Mayor and Council Members take the following actions for the development of 62 units of affordable housing for property located at 100 East Nutwood Street:

1. Approve the Disposition and Affordable Housing and Development Agreement (DAHDA) between the City of Inglewood (City) and Grevillea Housing L.P., a company of Abode Communities Inc (Developer) for a sale price of $2,800,000 and a HOME-funded residual receipts loan for the $2,800,00 to be repaid over a 55-year term; and
2. Approve the Low and Moderate Income Housing Fund Loan Agreement (LMIHFLA)) for up to $8,284,419 in Set-Aside funds for gap financing assistance in the form of a residual receipts loan to be repaid over a 55-year term; and
3. Adopt the Categorical Exemption in compliance with the California Environmental Quality Act for the project; and
4. Adopt the resolution Approving the Disposition and Affordable Housing and Development Agreement; and
5. Adopt the resolution approving the Low and Moderate Income Housing Fund Loan Agreement to provide financial assistance up to $8,284,419, from the Housing Set Aside Funds; and
6. Adopt Resolution amending the budget for fiscal year 2011 – 2012.

BACKGROUND

Abode is a non-profit that consists of a development arm, an in-house architecture studio, a property management company and a resident services organization. Abode has been in business for 42 years, previously operating under the name The Los Angeles Community Design Center, and has experience developing over 50 affordable

CD-6

housing projects. Abode manages their own projects and provides social services support directly to all residents within their projects.

In February of 2011, Abode entered into a purchase agreement for the acquisition of the 1.14-acre site located at 100 East Nutwood Street for $2,800,000. In November of 2011, Abode completed that purchase of the site. On December 22, 2011, the City Council and Redevelopment Agency authorized the use of $2,800,000 in HOME funds to acquire the site from Abode and $5,760 to purchase the environmental studies completed for the property, authorizing a total of $2,805,760 in HOME funds. Additionally the City/Agency entered into an Exclusive Negotiating Agreement with Abode to continue negotiations relative to gap financing to be funded by housing set-aside funds.

The proposed project is an affordable workforce housing complex for moderate, low and very-low income households. Of the 62 units proposed, 61 units will be restricted as affordable units with one unit remaining unrestricted for use as a manager unit. The current proposal includes 36 two-bedroom units and 26-three bedroom units. The units will be restricted to very-low, low and moderate income households with one un-restricted unit reserved for the on-site manager. The proposed unit sizes are 1,100 square feet for the three bedroom units and 950 square feet for the two bedroom units. The project includes 71 subterranean parking spaces and 64 at-grade podium parking spaces.

The rents applied to all the units reflect the most restrictive requirements imposed by the proposed funding sources. The various rents for 2011, net the appropriate utility allowance, are estimated as follows: (rents for 2012 have not been released)

Table-1

2011Rent Restrictions

	[1]CRL Rents	[2]TCAC Rents	[3]HOME Rents	Applicable Rents
Two Bedroom Units				
Very-Low Income	$663	**$512**	$891	$512
Low Income	$807	**$702**	$891	$702
Low Income	$807	**$796**	$891	$796
Moderate Income	$1527	**$1,081**	$1,170	$1,081
Three-Bedroom Units				
Very-Low Income	$731	**$588**	$1,027	$588
Low Income	$891	**$808**	$1,027	$808
Low Income	**$891**	$917	$1,027	$891
Moderate Income	$1,691	**$1,246**	$1,340	$1,246

[1]California Housing and Community Development Department
[2]California Tax Credit Allocation Committee
[3]United States Department of Housing and Urban Development

The table below identifies the affordability mix by bedroom and the applicable 2011 rents. These rents will be adjusted annually.

Table-2

Affordability Mix and rents			
Affordability Levels	**2-bdrm**	**3-bdrm**	**Total Number of Units**
Number of Very Low-Income Rents	2 $512	5 $558	7
Number of Low Income Rents	3 $702	4 $808	7
Number of Low Income Rents	27 $796	12 $891	39
Number of Moderate Income Rents	3 $1,081	5 $1,246	8
Unrestricted Management	1		1
Total Number of Units	36	26	62

The project site is adjacent to a city park where public art is the focus. It is the intent of the developer to create a design that interfaces with the park. The estimated KMA development cost of this project is outlined in Table 3. The Developer estimates that amount to be $28,392,419.

Table-3	
Development Costs Per KMA	
Land Assembly	$3,353,000
Direct Building Costs	$18,571,000
Indirect Building Costs	$4,785,000
Total Financing Costs	$1,448,000
Total Development Costs	**$28,157,000**

The project fulfills all of the requirements of the affordable housing exemption set forth in Public Resources Code Sections 21159.21 and 21159.23(a). Subsequent to approval of the Low and Moderate Income Housing Fund Loan Agreement, the notice of exemption will be filed with the Los Angeles County Recorders Office.

DISCUSSION

Abode Communities has requested the City to provide financial assistance to facilitate the development of a 62-unit residential affordable housing project. A financing structure was presented to the City that was reviewed by the City's outside economist Keyser Marston and Associates (KMA). The KMA analysis determined that the financial

assistance was justifiable up to the amount of $11,084,419. Upon approval of the financial assistance, staff was directed to prepare the necessary agreements needed to implement the project. The source of financial assistance approved included $8,284,419, of housing set-aside funds and $2,800,000, of HOME funds. Home funds will be provided in the form of an acquisition loan.

Because of the two distinct funding sources, two agreements have been prepared to implement and fund this project, the DAHDA and the LMIHFLA. The LMIHFLA agreement regulates the 46 Set-Aside funded units that will be designated within the site. The remaining 16 units will be governed by DAHDA. Promissory notes have been prepared in the form of residual receipt notes with a term of 55 years and 3% interest. Payments for the notes will be determined annually after review of the project audited financial statements. Any outstanding balance for both loans at the end of 55 years will be due and payable to the City.

The Developer will also be applying to the California Tax Credit Allocation Committee (TCAC) for tax credits. The Developer has calculated that the project can receive net tax credit proceeds of $14,205,841 and $610,000 in Federal Home Loan Bank/Affordable Housing Funds. This brings the total available sources of funding for the project to $28,157,000. The developer has requested an additional $235,419 above that calculated by KMA. KMA has concluded that given the differential is only 2% the request is warranted. It is anticipated that since there may be fewer tax credit applications there may be more tax credits available to this project. The Developer will be required to resubmit an updated project proforma to evaluate the funds actually needed. The proposed financing for the project is outlined in Table 4 as provided for in the KMA analysis:

Table-4	
Proposed Financing	
Funding Source	**Amounts**
Permanent Loan	$ 2,776,000
*Housing Set-Aside Funds –KMA analysis	$ 8,049,000
HUD HOME Funds	$ 2,800,000
Affordable Housing Funds	$ 610,000
Tax Credit Equity	$13,922,000
Total Potential Funding Sources KMA	**$28,157,000**
Additional Developer Request for Set-Aside	$235,419
Housing Set-Aside Funds –KMA analysis	$ 8,049,000
Total Warranted City Request	$8,284,419
Total Potential Funding Sources	**$28,392,419**

ADDITIONAL CONSIDERATIONS

This agreement is authorized under the Cooperation Agreement between the City and the Agency providing for the City to carry out certain activities of the Agency

approved on January 25, 2011, as amended by the First Amendment dated February 15, 2011 and the Second Amendment dated March 11, 2011.

FINANCIAL/FUNDING ISSUES AND SOURCES
Approval of this project will assist the expenditure of $8,824,419 of the set-aside funds, assisting the City in meeting it's very low, low income and moderate expenditure requirements. A Resolution amending the 2011-2012 budget is also being presented.

DESCRIPTION OF ANY ATTACHMENTS (attachments forthcoming)
Attachment 1 - Disposition and Affordable Housing and Development Agreement
Attachment 2 - Resolution Approving the Disposition and Affordable Housing and Development Agreement
Attachment 3 - Low and Moderate Income Housing Fund Loan Agreement
Attachment 4 - Resolution approving the Low and Moderate Income Housing Fund Loan
Attachment 5 - Resolution amending the budget for fiscal year 2011 – 2012.
Attachment 6 - Categorical Exemption
Attachment 7 – January 26, 2012, KMA Analysis

LEGAL REVIEW VERIFICATION CDS
This report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION _____
This report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Pamela Thigpen, Grants Manager
Margarita Cruz, Redevelopment Manager

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager
Pamela Thigpen, Grants Manager

PROOFREAD FOR ACCURACY: _____

Approved for Agenda

Inglewood All-America City 2009

CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER

DATE: January 30, 2012

TO: Mayor and Council Members

FROM: Community Development Department

SUBJECT: Owner Participation Agreement and Consideration of an $18,000,000 Commercial Rehabilitation Loan to Renovate the Forum

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RECOMMENDATION

It is recommended that the Mayor and Council Members approve an Owner Participation Agreement (OPA) between the City of Inglewood, MSG Forum, LLC (MSG), and The Forum Enterprises, Inc., (FEI), which provides for a commercial rehabilitation loan of $18,000,000 (eighteen million dollars) to assist MSG in the rehabilitation and renovation of the Forum.

BACKGROUND

FEI currently holds title to the property located at 3900 West Manchester Boulevard, commonly known as the Forum. Historically, the Forum was one of Southern California's leading sports and entertainment venues, considered to have the highest level of acoustics for an entertainment venue of its size. Since the opening of the Staples Center over a decade ago, the number of events held at the Forum has dropped significantly, which has contributed to a reduction in Forum activity and revenues. Additionally, the building suffers from deferred maintenance and is in need of significant repair and upgrades. Fortunately, the Forum's acoustics for concerts continues to remain at a high level. (better than other venues of its size) The property was put up for sale and has attracted Madison Square Garden Entertainment as a buyer. FEI and MSG have entered into a purchase agreement whereby on the terms and subject to the conditions contained therein, MSG would purchase the Forum. MSG has come to the City seeking financial assistance to help fund a portion of the proposed renovation and offset the required upgrades and deferred maintainance issues that need to be addressed at the Forum.

Providing MSG with this loan would be an important step forward in ensuring Inglewood advances a critical project in our city's revitalization effort. While several steps must be resolved before the project can be finalized, we are confident that both parties are committed to working through remaining issues with the hope that a final deal can be reached that is in the best interests of our city.

While several of the key project benefits are outlined later in the document, highlights include:

CD-1, R-2

- $85M potential investment in the Forum, including the purchase price;
- Estimated $26M in General Fund revenues to the City over the next 30 years;
- An increase in property tax revenues to be shared by various taxing entities including the City;
- Creation of 328 FTE jobs during the construction;
- An increase of 260 FTE jobs annually, once it is operating; and,
- While details will be confirmed over the coming months, the City will be able to utilize the Forum for a variety of community events rent free on an annual basis.

The Madison Square Garden Company

The Madison Square Garden Company is one of the country's leaders in live entertainment and is recognized for its signature combination of event production, entertainment marketing and iconic venues. MSG creates, produces and presents a variety of live productions. Madison Square Garden Entertainment has presented over 1,000 concerts, family shows and special events to over five (5) million people each year at a diverse collection of venues including Madison Square Garden, Radio City Music Hall, and The Theater at Madison Square Garden, the Beacon Theatre, The Chicago Theatre and the Wang Theatre in Boston. Its purchase of the Forum will provide MSG with its first opportunity to create a west coast venue presence.

- Madison Square Garden has a proven record of success in refurbishing classic buildings and transforming them into tremendously successful state-of-the-art venues that command talent and customers – with Radio City Music Hall, the Beacon Theatre and currently, Madison Square Garden in New York.
- Once they began operating the Beacon Theater, the Chicago Theatre and the Wang Theatre in Boston – these venues experienced phenomenal growth -- (Beacon 36%), Chicago (49%), Wang (287%). They would bring this unparalleled level of expertise and success to the Forum.

MSG's Vision for the Forum

Should this project move forward, MSG plans to leverage its expertise in the world of live entertainment and work with a variety of promoters and artists to bring top talent back to the Forum, returning it to its status as a world-class entertainment venue. MSG plans to utilize the strength of its relationships with artists, promoters and managers, its live event expertise, as well MSG Media assets, including its national music network, Fuse, to create performance, promotion and distribution opportunities that will serve as a compelling inducement for artists to perform at the Forum.

It is anticipated that MSG's expertise and competitive advantages will drive concert growth in a way that will allow the Forum to recapture its rightful place in the Los Angeles/Southern California concert market. MSG projects that upon completion of the renovation, the Forum could attract a minimum of 300,000 attendees at a minimum of 40 events per year, including concerts, family shows, award shows and other special

events. There are very few entities that have the capacity and expertise to return the Forum back to a first-class concert venue.

MSG's vision for the Forum involves creating a unique concert experience for artists and fans. After the proposed renovation, the Forum will have the sophisticated look, feel and ambiance of an intimate theatre, but on a much larger scale. MSG would be required to submit plans to the City for approval as part of the permitting process, giving the City the ability to ensure that a quality project would be established at the subject site. Specific improvements include the following:

- Parking lot upgrades and repairs;
- Renovated Forum Club;
- New dressing rooms for artists;
- Renovated concourses with new flooring, lighting, and painted walls and ceilings;
- New and renovated bathrooms;
- American with Disabilities Act (ADA) accessibility upgrades including new ADA restrooms and an ADA-upgraded east elevator;
- Renovated and new hospitality/concession areas;New north and west elevators;
- Renovated north terrace;New roof - HVAC (heating, ventilation, and air conditioning) and MEP (mechanical, electrical, and plumbing) upgrades;
- Painted exterior;
- Life safety system upgrades;
- New upholstered seats;
- New flooring; and,
- Upgraded lighting.

DISCUSSION

To complete the renovation, MSG has submitted a request to the City for financial assistance. The terms for financial assistance now being presented are the culmination of a lengthy process that started approximately 10 months ago. Those negotiations have concluded and deal points have been developed to the satisfaction of the City's negotiating team and MSG. Absent the rehabilitation loan, the renovation would not be economical and the Forum would remain in disrepair. The Rehabilitation Loan will be used to ensure the Forum is competitive and a leader among concert venues within the Los Angeles area.

In order for MSG to receive the loan, MSG must first purchase the Forum and expend at least $50,000,000 (fifty million dollars) in rehabilitation of the Forum. The loan will be for a period of ten years. At the end of loan year five, $9,000,000 (nine million dollars) of the loan will be forgiven. At the start of loan year six through loan year ten, the remaining loan balance (plus accrued interest at three percent per annum) will be forgiven in 20% increments annually. Therefore, if the Forum remains in operation for the duration of the term of the entire loan, the loan is forgiven at the end of year ten.

After execution of the documents, the $18,000,000 loan amount will be placed into escrow and released upon MSG meeting certain conditions described above. The loan repayment obligation will be secured by a Deed of Trust to be executed upon release of funds to MSG from escrow. FEI will be a party to the OPA as property owner and will be automatically released from the OPA upon the completion of the purchase by MSG. Each party will have the option to terminate the agreement without liability if MSG doesn't buy the Forum by July 1, 2012. The complete renovation of the Forum is expected to occur no later than October 31, 2015, subject to MSG receiving all required city approvals by August 13, 2013. A Use Restriction Covenant for a term of 30 years will be placed on the property.

The source for funds for this loan will come from taxable tax increment as follows.

Table 1

Source	**Amount**
Series 2007 A-T Bond Proceeds	$6,623,560
Reallocated Excess Funds	$6,317,420
5% Exception funds	$3,127,868
Taxable Reserve Fund	$1,931,152
Total	$18,000,000

It is anticipated that this project will generate significant revenues to the City's General Fund. Conservative estimates indicate that the City will receive approximately $16.1M in General Fund revenues over the next 20 years or approximately $26.1M over the next 30 years. Such revenues will include admission taxes on ticket sales, sales taxes on food and beverage and merchandise sales and parking taxes. For example, if parking for a concert costs $25, the city will receive $2.50 Additionally, the City will receive $0.89 per ticket sold in admission tax revenue. It has also been estimated that the permit costs to renovate the Forum will be approximately $1,490,000.

Other benefits to the City of Inglewood include the creation of 328 FTE jobs during construction. These jobs will be paid prevailing wage rates and there will be a requirement to initiate local hiring initiatives for Inglewood residents and buy supplies from Inglewood businesses. Once the Forum is operating they project an increase of 260 FTE jobs in the City and are making commitments on local hiring initiatives so that many of these jobs will go to Inglewood residents.

In consultation with the City and subject to its review, after purchasing the property, MSG will prepare, initiate and fund a Workforce Outreach Coordination Program (the "WOCP") in the aggregate amount of $250,000, over a period of two (2) years, starting from the effective date of the project. Funding for the WOCP shall include the costs of outreach and marketing, and the retention of a qualified Workforce Outreach Coordinator.

Additionally, MSG will work closely with a non-profit charity called the Garden of Dreams Foundation, which is based in New York, whose mission is to enhance the lives

of children facing obstacles. Through the Garden of Dreams Foundation MSG will work towards becoming part of the fabric of the Inglewood community.

As the lead agency for purposes of the California Environmental Quality Act (CEQA), City staff has determined that: (i) the proposed rehabilitation and renovation of the Forum qualify for a CEQA Categorical Exemption per Class 1 (Existing Facilities); and Class 23 - Normal Operations for Facilities for Public Gatherings exemptions found in Section 15300 of the CEQA Guidelines; and (ii) none of the possible exceptions to Categorical Exemptions found in Section 15300.2 of the CEQA Guidelines apply to the rehabilitation and renovation of the Forum. Specifically, City staff has determined that the proposed rehabilitation activities are consistent with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, and therefore will not cause a substantial adverse change in the significance of an historical resource if the subject Site were determined to be such an historical resource.

ADDITIONAL CONSIDERATIONS

This loan is being provided as a commercial rehabilitation loan as allowed under the Cooperation Agreement between the City and the Agency. The Cooperation Agreement provides for the City to carry out certain activities of the Agency. The Cooperation Agreement was approved on January 25, 2011, and was amended by the First Amendment dated February 15, 2011, and the Second Amendment dated March 11, 2011.

FINANCIAL/FUNDING ISSUES AND SOURCES

As stated earlier in the report, funds from the loan will be from the unobligated tax increment account.

DESCRIPTION OF ANY ATTACHMENTS

Attachment 1: Owner Participation Agreement
Attachment 2: Resolution

EXHIBITS

EXHIBIT A	–	LEGAL DESCRIPTION OF SITE
EXHIBIT B	–	SCHEDULE OF PERFORMANCE
EXHIBIT C	–	SCOPE OF WORK AND PROJECT BUDGET
EXHIBIT D	–	FORM OF AGREEMENT CONTAINING USE COVENANTS
EXHIBIT E	–	FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT
EXHIBIT F	–	FORM OF RELEASE OF CONSTRUCTION COVENANTS
EXHIBIT G	–	RESERVED
EXHIBIT H	–	EMPLOYMENT AND TRAINING REQUIREMENTS
EXHIBIT I	–	PLANS
EXHIBIT J	–	FORM OF PROMISSORY NOTE
EXHIBIT K	–	FORM OF DEED OF TRUST

LEGAL REVIEW VERIFICATION CPS
This report, in it's entirely, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION
This report, in it's entirely, has been submitted to, reviewed and approved by the Finance Department.

PREPARED AND REVIEWED BY: Sheldon Curry, Assistant City Manager
Margarita Cruz, Redevelopment Manager

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY:

PS 9/16/94
[illegible] 9/19/94

ATTACHMENT NO. 6

REDEVELOPER LOAN AGREEMENT

MANCHESTER-PRAIRIE REDEVELOPMENT PROJECT

VONS

This REDEVELOPER LOAN AGREEMENT (the "Agreement") is entered into on this 29th day of June, 1993 by and among the INGLEWOOD REDEVELOPMENT AGENCY (the "Agency"), a public body corporate and politic, the CITY OF INGLEWOOD (the "City"), a public body corporate and politic, and THE VONS COMPANIES, INC., a Michigan Corporation (the "Redeveloper").

The Agency and Redeveloper are parties to an Owner Participation Agreement ("OPA") bearing even date herewith. All defined terms used in this Agreement which are not separately defined in this Agreement shall have the same meaning as such defined terms in the OPA.

In consideration of the Redeveloper's acquisition of the Site and its performance of the work and payment of the costs necessary to complete the Minimum Required Development (as defined in Exhibit A attached hereto and made a part hereof), the Agency and the City shall reimburse Redeveloper, as repayment of the unsecured loan (the "Loan") by the Redeveloper to the Agency and the City represented by such performance and payment, the amounts hereinafter set forth, in accordance with and subject to the terms, conditions and provisions hereinafter set forth.

The loan shall be evidenced by a promissory note or notes (collectively, the "Promissory Note") in the form of Attachment No. 5 to the OPA. The Promissory Note shall be executed by the Agency and the City and delivered to Redeveloper at the time set forth in the Schedule of Performance (Attachment No. 3 to the OPA).

The Loan shall be divided into two parts: Part A represents a loan (the "Part A Loan") in the amount of One Million Five Hundred Thousand Dollars ($1,500,000.00) @ and Part B represents a loan (the "Part B Loan") in amount to be determined by tax increment, but in no

@ 1,500,000.00
[illegible] 500,000.00

event shall the loan exceed Five Hundred Thousand Dollars ($500,000.00) as hereinafter set forth.

Interest shall accrue on the unpaid principal balance of the Part A Loan at the rate of seven and one half percent (7.5%) per annum, commencing on the commencement date of the Part A Term. Payments shall be credited first to accrued interest and then to principal. No interest will accrue on the Part B Loan.

1. The Part A Loan

City and Agency agree to repay the Part A Loan by paying to Redeveloper sixty percent (60%) of the City's share of sales tax proceeds generated from all sales on the Site during the Part A Term. Payments shall be made within sixty (60) days after the end of the Agency's fiscal year (June 30), until the total value of the payments equals the Part A Loan and all interest accrued thereon. The "Part A Term" shall commence when the first building opens for business on the Site and shall expire on June 1, 2013. If the Part A Loan and all interest accrued thereon is not repaid prior to the expiration of the Part A Term because the aforesaid sales tax proceeds are insufficient, the City and Agency will be under no further obligation to repay the Part A Loan (except that payments will continue after the expiration of the Part A Term to the extent attributable to sales taxes on sales during the Part A Term). If the Part A Loan and all interest thereon is repaid prior to the expiration of the Part A Term, the City and Agency will be under no further obligation to continue to pay to Redeveloper any portion of the sales tax proceeds. On each annual anniversary of the commencement of the Part A Term, the principal balance shall be increased by the amount of interest earned during the prior year in excess of the amounts payable to Redeveloper during such year on account of sales tax proceeds.

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2. The Part B Loan

Agency agrees to repay the Part B Loan by paying Redeveloper all Available Increment (hereinafter defined), in excess of the Available Increment with respect to the tax fiscal year ending June 30, 1992 (the "Base Tax Year"), with respect to the period (the "Part B Term") commencing on the first day of the tax fiscal year immediately succeeding the Base Fiscal Year and ending on December 26, 2002 (subject to extension, as set forth below). "Available Increment" means seventy eight percent (78%) of the real property tax increment from the Site, it being understood that the remaining twenty two percent (22%) is committed by the Agency to low and moderate housing requirements and serving debt on existing bonds. Repayment of Available Increment shall be in annual installments made to the Redeveloper within sixty (60) days following the close of the Agency's fiscal year each June 30. The first payment to Redeveloper of Available Increment shall begin the first June 30th following the issuance of a Certificate of Completion for the first building on the site. Payments shall continue after the expiration of the Part B Term only to the extent necessary to pay Available Increment attributable to the Part B Term. Provided the Agency has not exceeded its debt limitations as outlined in the Manchester-Prairie Redevelopment Plan, the Part B Term shall be extended, without the necessity of further act by any party hereto, if and to the extent that the term of the Redevelopment Plan is extended, but in no event shall the Part B Term extend beyond June 1, 2013.

Notwithstanding anything to the contrary set forth therein, in no event shall payments on account of the Part B Loan with respect to any tax fiscal year exceed Fifty Thousand Dollars ($50,000.00) (the "Annual Cap"); provided, however, that Available Increment in excess of the Annual Cap in any year shall be payable with respect to a tax fiscal year to the extent of the aggregate amount of any excess, during prior years of the Part B Term, of the Annual Cap over

Available Increment.

3. General Terms For Part A Loan and Part B Loan

The Agency represents and warrants that there is no existing indebtedness of the Agency for which any of the sales tax proceeds or Tax Increment pledged hereunder is or may be pledged. The Agency represents and warrants that in calculating the availability of funds for any future indebtedness, the Agency shall exclude the sales tax proceeds and Tax Increment pledged hereunder until such time as the Part A and Part B Loans are repaid.

Redeveloper shall have the right to assign this Agreement and the Promissory Note, except that the restrictions on transfer of the Site set forth in the OPA shall apply to this Agreement and the Promissory Note; provided, however, that Redeveloper shall have the right (but shall not be obligated) to retain its rights under this Agreement and the Promissory Note notwithstanding a transfer of the Site or an assignment by the Redeveloper of its rights under the OPA. Subject to the foregoing, this Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns.

In the event that Redeveloper uses the Site for any purpose which is prohibited by the OPA, City and Agency shall have no liability or obligation for repayment of the remaining balance of the Loan, unless and until Redeveloper ceases using the Site for such prohibited purposes. However, during such time as a prohibited use is occupying the site, the City and Agency are not obligated to repay the Part A and Part B Loans.

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This Redeveloper Loan Agreement does NOT constitute a debt or obligation of the City. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the Promissory Note.

INGLEWOOD CITY COUNCIL/
INGLEWOOD REDEVELOPMENT AGENCY

By _____
Mayor/Chairman

Date June 29, 1993

ATTEST:

_____
City Clerk/Agency Secretary

APPROVED AS TO FORM:

_____
City Attorney/Agency Counsel