

department of economic opportunity

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April 14, 2026

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

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

Dear Supervisors and Commissioners:

**AUTHORITY TO EXTEND THE TERM OF THE
EXCLUSIVE NEGOTIATING AGREEMENT AMONG
COMPTON UNIFIED SCHOOL DISTRICT, LOS ANGELES
COUNTY DEVELOPMENT AUTHORITY, AND CHARLES
DREW UNIVERSITY/MARTIN LUTHER KING WELLNESS
COLLABORATIVE, LLC., AND EXTENSION OF THE
MEMORANDUM OF UNDERSTANDING BETWEEN THE
LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
AND COMPTON UNIFIED SCHOOL DISTRICT
(SECOND DISTRICT) 3 VOTES**

SUBJECT

This letter recommends the extension of an Exclusive Negotiating Agreement (ENA) among Compton Unified School District (CUSD), the Los Angeles County Development Authority (LACDA), and Charles Drew University/Martin Luther King Wellness Collaborative, LLC (collectively, Developer) to continue negotiating the terms for the potential mixed-use development of CUSD- and LACDA-owned properties (Willowbrook Wellness Campus) through July 31, 2026. This letter also recommends the extension of a Memorandum of Understanding (MOU) between LACDA and CUSD for the development of the properties. The County of Los Angeles (County), through its Department of Economic Opportunity (DEO), is acting as agent of LACDA for the development of the LACDA-owned property.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES:

1. Find that the recommended actions do not constitute a project under Section 21065 of the Public Resources Code and Section 15378(b)(5) of the California Environmental Quality Act (CEQA) Guidelines because the actions are organizational or administrative activities of government that will not result in direct or indirect physical changes to the environment.
2. Authorize and delegate authority to the Director of the Department of Economic Opportunity, or her designee, on behalf of the LACDA, to:
 - a. Extend the term of the ENA among CUSD, LACDA, and the Developer through July 31, 2026;
 - b. Extend the term of the MOU between the County and CUSD, through July 31, 2026;
 - c. Execute any and all related or ancillary documents or amendments necessary to effectuate the action authorized herein; and
 - d. Collect deposits and fees in connection with the amended ENA and administer expenses and accounting associated with the ENA.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Find that the recommended actions do not constitute a project under Section 21065 of the Public Resources Code and Section 15378(b)(5) of the California Environmental Quality Act (CEQA) Guidelines because the actions are organizational or administrative activities of government that will not result in direct or indirect physical changes to the environment.
2. Authorize and delegate authority to the County, through its Director of the Department of Economic Opportunity, or her designee, on behalf of the LACDA, to:
 - a. Extend the term of the ENA among CUSD, LACDA, and the Developer through July 31, 2026;
 - b. Extend the term of the MOU between the County and CUSD, through July 31, 2026;
 - c. Execute any and all related or ancillary documents or amendments necessary to effectuate the action authorized herein; and
 - d. Collect deposits and fees in connection with the amended ENA and administer expenses and accounting associated with the ENA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to allow the Parties to complete the final phases of entitlement processing, environmental review, and negotiation of legal agreements associated with

the proposed Willowbrook Wellness Campus.

Since the Board's prior approval of the ENA extension, the Developer and County departments have made substantial progress. The Addendum to the Willowbrook Transit Oriented District Specific Plan Environmental Impact Report has been prepared, and signoffs have been received from County agencies reviewing the proposed entitlements. The Director of the Department of Regional Planning is anticipated to schedule the project for a hearing on the environmental analysis and entitlements before the Regional Planning Commission in March 2026. Following deliberations by the Regional Planning Commission, the CEQA findings and proposed entitlements are anticipated to be brought before the Board of Supervisors for consideration, along with a request for authority to transfer the LACDA-owned property to CUSD to facilitate the proposed development.

An extension of the ENA and MOU through July 31, 2026, will ensure continuity of negotiations and coordination of these final actions.

FISCAL IMPACT/FINANCING

There is no impact to the County General Fund as a result of the recommended action. The Developer remains responsible for all costs associated with due diligence, entitlement processing, and environmental review.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The ENA and MOU amendments will extend the term of exclusive negotiations through July 31, 2026. No commitment to proceed with development is being made at this time. Any future development will be subject to completion of all applicable CEQA requirements and subsequent approvals by the Board of Supervisors.

ENVIRONMENTAL DOCUMENTATION

The recommended action is not a project under CEQA pursuant to Section 15378(b)(5) of the CEQA Guidelines because it involves administrative activities that will not result in direct or indirect physical changes to the environment. Environmental review will be completed, and appropriate findings considered, prior to any approval of entitlements or development agreements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Strategy I.1.5, Increase Affordable Housing Throughout L.A. County; Strategy II.1, Drive Economic and Workforce Development in the County and Strategy III.3.2, Manage and Maximize County Assets. In this case, the County is supporting these goals by proposing a project that provides affordable housing, seeking to use a local and targeted workforce to construct the project, and developing County assets in a manner that provides local revitalization.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will allow the County, LACDA, CUSD, and the Developer to complete the entitlement, environmental, and negotiation processes and return to the Board for consideration of the proposed project. The proposed actions will allow the County to advance efforts to increase affordable and supportive housing opportunities.

CONCLUSION

If you should have any questions please contact Kystin Hence, Assistant Director of Capital Development at khence@opportunity.lacounty.gov or (323) 578-5389.

Respectfully submitted,



KELLY LOBIANCO,
Director

KL:KH:dm

Attachments

cc: Chief Executive Office
Executive Office, Board of Supervisors
County Counsel
Executive Director of the Los Angeles County Development Authority

WILLOWBROOK JOINT DEVELOPMENT PROJECT SITE

EXCLUSIVE NEGOTIATING AGREEMENT

by and among

THE COMPTON UNIFIED SCHOOL DISTRICT,

THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

and

CDU/MLK WELLNESS COLLABORATIVE, LLC

THIS WILLOWBROOK JOINT DEVELOPMENT PROJECT SITE EXCLUSIVE NEGOTIATING AGREEMENT (this “**Agreement**”) is effective [April 7], 2021 (the “**Effective Date**”), by and among the Compton Unified School District (“**District**”), Los Angeles County Development Authority (“**LACDA**”), a public agency activated pursuant to Part 1.7 of Division of the Health and Safety Code , and CDU/MLK Wellness Collaborative, LLC, a California limited liability company (“**Developer**”). District, LACDA and Developer are sometimes referred to collectively herein as the “**Parties**” and individually as a “**Party**.”

RECITALS

- A. District has fee ownership of real property located at 1667 East 118th Street, in the unincorporated Willowbrook neighborhood of the County of Los Angeles (the “**County**”), California, legally described in **Exhibit A** (the “**District Property**”).
- B. LACDA has fee ownership of real property located in the 1660 block of East 117th Street, in the unincorporated Willowbrook neighborhood of the County, legally described in **Exhibit B** (the “**LACDA Property**”).
- C. The District Property and LACDA Property are sometimes referred to collectively as the “**Project Site**.”
- D. Pursuant to Developer’s response (the “**Developer Response**”) to a Request for Proposal issued by District and LACDA on November 19, 2019 (the “**RFP**”), Developer was the highest ranked proposer for development on the Project Site and best met the District’s goals and mission.
- E. In accordance with the Developer Response, Developer proposes to develop a health and wellness campus, including affordable, workforce, student and mixed-income housing; office, retail, research, community and clinic space; athletics and recreational facilities; and parking for the to-be-developed uses (collectively, the “**Proposed Project**”) on the Project Site. However, the Proposed Project is a preliminary proposal that is subject to change through negotiation as well as input derived from the Parties’ stakeholders. A preliminary design concept plan for the Proposed Project is attached as **Exhibit C**.
- F. The Parties contemplate entering into an option or options for a long-term. ground lease (the “**Option**”) pursuant to which ground lease (the “**Ground Lease**”) Developer would construct and operate the Proposed Project with entities related to Developer. The Option and the Ground Lease are sometimes referred to collectively as the “**Project Agreements**.” The contemplated disposition (via Ground Lease), the development of the Proposed Project and execution of the Ground Lease and any other associated agreements are collectively referred to as the “**Transaction**.”
- G. Each of the Compton Unified School District Board of Trustees (the “**District Board**”) and the Board of Commissioners of LACDA (the “**LACDA Board**” and,

together with the District Board, the “**Boards**”; each of the Boards may be referred to hereinafter as a “**Board**”) has authorized execution of this Agreement with Developer for the purpose of negotiating the terms and conditions of the Project Agreements.

- H. The execution of the Ground Lease would be subject to, among other things, compliance with the California Environmental Quality Act, Public Resources Section 21000 *et seq.* (“**CEQA**”). County would be the Lead Agency under CEQA, in connection with the consideration and analysis of the environmental impacts of the development of the Proposed Project. District and LACDA would be Responsible Agencies under CEQA. This Agreement does not constitute or evidence a project approval by District or LACDA, or their respective Board or their commitment to, any action for which prior environmental review is required under CEQA. District and LACDA each retain the absolute sole discretion to make decisions under CEQA with respect to the Proposed Project, including the discretion to deny the Project. There shall be no approval or commitment by District or LACDA of the Proposed Project or any alternative development of any portion of the Project Site, unless and until each has independently considered the environmental impacts of the Proposed Project.

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

AGREEMENT

1. **Exclusive Negotiating Agreement: Good Faith Negotiations.**
 - 1.1 **Exclusive Negotiation.** During the Term (defined in Section 2.1), so long as Developer is negotiating in good faith and is not otherwise in material default of its obligations under this Agreement, District and LACDA shall not solicit offers or proposals from other parties concerning potential development or the sale, lease, transfer, or other disposition of the Project Site. The Parties will negotiate exclusively and in good faith in accordance with this Agreement regarding the negotiations and drafting of the Project Agreements. Notwithstanding the foregoing, District and LACDA may, from time to time, be contacted by other developers regarding the Project Site, and such contact is expressly permitted so long as District and LACDA do not initiate the contact and indicate to such developers that District and LACDA have executed this Agreement and that District and LACDA are prohibited from: (a) discussing anything concerning these negotiations with such developers; (b) considering any offer or proposal from such other developers; or (c) negotiating with any such developers, until this Agreement expires or is terminated pursuant to its terms. District and LACDA shall not dispose of or transfer the Project Site to any other third party during the Term.

- 1.2 Essential Terms. The Parties acknowledge and agree that this Agreement does not establish all the essential terms of the Project Agreements and that although they have set forth herein a framework for negotiation of the essential terms of the Project Agreements: (a) they have not set forth herein nor agreed upon many of the essential terms of the Project Agreements, including, among other things, rent or terms and timing of any development; (b) they do not intend this Agreement to be a statement of the essential terms of the Project Agreements; and (c) the essential terms of the Project Agreements, if agreed to by the Parties, shall be set forth, if at all, in documentation and agreements negotiated, approved and executed by duly authorized representatives of each of the Parties and their respective Board after any and all applicable requirements of CEQA have been completed and any other determinations/findings required by law have been made.
- 1.3 Designated Representative. In order to facilitate the process of negotiating the Project Agreements pursuant to this Agreement, District, LACDA and Developer agree that, notwithstanding anything in this Agreement to the contrary (but subject to the notice provisions in Section 16 of this Agreement for any formal notices or requests made pursuant to this Agreement), Sarine Abrahamian of Orbach Huff Suarez & Henderson LLP shall be the designated representative for District with respect to the District Property, Carey Jenkins shall be the designated representative for LACDA with respect to the LACDA Property, and Carl McLaney shall be the designated representative for the Developer; the contact information for each such designated representative is set forth in the notice provisions of Section 16. Each of District, LACDA and Developer may replace its designated representative by written notice provided to the other two Parties in accordance with Section 16. Project related communications and notices, communications with respect to negotiating the Project Agreements, and any other requests, notices or other communications made pursuant to this Agreement shall be made by Developer to the designated representatives for each of District and LACDA or from either District or LACDA to the designated representative for Developer with a copy to the designated representative for the other Party. Subject to the foregoing, any notices, meetings, communications, deliveries, deposits or other performance or actions made by Developer to or with the designated representative for each of District and LACDA shall be deemed to have been made to or with both District and LACDA (and shall satisfy any obligations of Developer under this Agreement to give notice to, communicate or meet with, make deliveries or deposits, or otherwise take action or perform any obligations to District).

2. Duration of this Agreement.

- 2.1 Term. This Agreement shall commence on the Effective Date and shall terminate twelve (12) months thereafter (the "**Term**"). Notwithstanding the

foregoing, if (a) the Parties have not executed and delivered the Option within such period and (b) substantial progress has been made toward fulfillment of the requirements of this Agreement, the District and LACDA may determine, in District's and LACDA's sole and absolute discretion, to extend the Term for a maximum of one (1) one hundred eighty (180) day extension. The Term may be extended only by written amendment to this Agreement executed by authorized representative(s) of the Parties and no other act or failure to act by District or LACDA or any of its representative(s) shall result in an extension of the Term.

2.2 Execution. No agreement or documentation that may hereafter be negotiated between the Parties with respect to the Project Agreements shall become final and binding unless and until: (a) District, LACDA, and Developer have complied with all applicable requirements of CEQA pertaining to the Project Agreements; (b) such documentation is approved by each respective Board; and (c) such documentation is executed by the authorized representatives of each of the Parties.

2.3 Approval of the Potential District and LACDA Actions. Prior to the satisfaction of the terms set forth in Section 2.2, none of the following actions shall in any way constitute District's and LACDA's approval of the Proposed Project or the Transaction or a commitment to take any future action(s): (i) negotiation or preparation of any development or purchase documentation (including the Ground Lease), including without limitation, any specific terms and provisions or any form of document; (ii) review or approval by District or LACDA of various stages of proposed plans and specifications for the Proposed Project; or (iii) cooperation or participation by District and LACDA in development applications or submittals for the Proposed Project (including District's and LACDA's execution of any such applications or submittals).

3. Payment and Deposit.

3.1 Deposit. Within five (5) business days after the Effective Date (as set forth in the Preamble), Developer shall deposit the amount of one hundred thousand dollars (\$100,000) ("**Initial Amount**") via wire transfer or Automated Clearing House electronic funds transfer as directed by LACDA in writing prior to the Effective Date (the "**Deposit**"), which Deposit shall cover reasonable costs related to the evaluation of the Proposed Project and negotiation of the Project Agreements ("**Transaction Expenses**"). The Transaction Expenses shall include, without limitation, the actual, reasonable, out-of-pocket cost of (a) in-house staff time (including District and LACDA overhead and administrative costs but excluding in-house costs incurred by County Counsel, and District and LACDA project managers) and (b) third party consultation fees (including, but not limited to, consultants, engineers, architects, advisors, and outside counsel to both the District and LACDA) as necessary for the negotiation of the

Project Agreements. District and LACDA shall use commercially reasonable efforts to engage not more than one professional, for the benefit of both District and LACDA, with respect to any area of expertise (i.e., one architect, one environmental engineer, etc.), other than outside counsel, as to which Developer agrees that each of LACDA and District shall retain its own outside counsel (one for each of LACDA and District). Prior to or concurrently with Developer's deposit of the Initial Amount, District and LACDA shall deliver to Developer an itemized estimated budget for the Transaction Expenses anticipated to be incurred during the Term (the "**TE Budget**"); and on or before the thirtieth (30th) day of each calendar month during the Term, District and LACDA shall deliver to Developer an itemized accounting, with supporting invoices and other documentation, of the Transaction Expenses incurred during the preceding calendar month. During the Term, if District or LACDA notifies Developer that the Deposit balance is less than twenty-five thousand dollars (\$25,000), Developer shall replenish the Deposit with an additional fifty thousand dollars (\$50,000) within ten (10) business days. Any required engineering studies, technical services or other similar services shall be conducted by Developer at its sole cost and expense. If the Deposit is insufficient to cover Transaction Expenses, District and LACDA may request additional monies exceeding the Initial Amount. Developer shall make such additional payments and replenish the Deposit as reasonably requested, or the Developer shall have the right to terminate this Agreement.

- 3.1.1 In the event this Agreement terminates or is terminated, the Deposit will become non-refundable to the extent necessary to pay Transaction Expenses incurred or contractually committed to be paid as of the date of termination, and District and LACDA shall return to Developer any portion of the Deposit that is not needed to pay such Transaction Expenses along with an accounting of the Transaction Expenses. District and LACDA have no obligation to pay interest on the Deposit and are not required to deposit the Deposit in an interest-bearing account. Interest, if any, earned on the Deposit, may remain in the Deposit account and may be added to the amount of the Deposit. Any refund of all or a portion of the Deposit to Developer will not include any interest earned on the Deposit.
- 3.1.2 If performance of this Agreement results in execution of the Project Agreements, the disposition of the remaining Deposit, if any, shall be as provided for in the Ground Lease.
- 3.1.3 In the event this Agreement terminates or is terminated other than for the reasons set forth in Section 3.1.1, then the Deposit will become non-refundable to the extent necessary to pay Transaction Expenses incurred or contractually committed to be

paid as of the date of termination, and District and LACDA shall return to Developer any portion of the Deposit that is not needed to pay such Transaction Expenses along with any accounting of the Transaction Expenses. The Parties agree that District and LACDA (a) have no obligation to pay interest on the Deposit to Developer, and (b) are not required to deposit the Deposit in an interest-bearing account. Interest, if any, earned on the Deposit, may remain in the Deposit account and may be added to the amount of the Deposit. Any refund of all or a portion of the Deposit to Developer will not include any interest earned on the Deposit.

4. Negotiation Tasks.

4.1 Overview. To facilitate negotiations, the Parties shall use reasonable good faith efforts to accomplish the tasks set forth in the Initial Schedule of Performance attached hereto as **Exhibit D** (as the same may be modified in accordance with this Agreement, the “Initial Schedule of Performance”) in the timeframe set forth therein so as to support negotiation and execution of mutually acceptable Project Agreements prior to the expiration of the Term. The dates set forth in the Initial Schedule of Performance for the performance of various tasks by the Developer may be extended by District and LACDA, in its sole discretion.– The Parties additionally shall work in good faith to negotiate and jointly prepare the Project Agreements.

4.2 Plans, Reports, Studies, and Entitlements.

4.2.1 District and LACDA Information. District and LACDA shall make available to Developer, upon Developer’s reasonable written request, existing information and plans regarding District and LACDA’s existing improvements on the Project Site, as needed for the development of the Proposed Project.

4.2.2 Reports. Developer shall provide District and LACDA with copies of all final reports, studies and analyses of the Project Site prepared or commissioned by Developer with respect to this Agreement and the Proposed Project promptly upon their completion. Upon reasonable request, Developer shall either provide to District and LACDA, or shall otherwise make the information available for review by District and LACDA’s agents, negotiators and consultants, reasonably detailed information concerning the Proposed Project (to the extent available) that District and LACDA reasonably shall require in order to make informed decisions about the content and approval of the Project Agreements.

4.2.3 Provision of Development Documents. All plans and any reports, investigations, studies (including reports relating to the soil,

geotechnical, subsurface, environmental, and groundwater conditions of the Project Site, entitlement applications, CEQA related and other environmental documents, and reports filed in connection therewith) with respect to the Project Site, Proposed Project, and Developer's intended use of the District Property and LACDA Property (collectively, the "**Development Documents**") shall be prepared at Developer's sole cost and expense. Developer shall timely provide District and LACDA, without representation as to warranty, subject to the confidentiality provisions in Section 14, without cost or expense to District and LACDA, copies of all final, non-legally privileged Development Documents prepared by or on behalf of Developer.

4.2.4 Entitlements. Developer shall have the right to apply to any applicable governmental authority for all entitlements required by Developer in connection with the Proposed Project (the "**Entitlements**"). Upon Developer's request, each of District and LACDA shall, at no out-of-pocket cost to District or LACDA, promptly (and in any event, within fifteen (15) business days after such request) join in and execute, in its proprietary capacity as the owner(s) of the Project Site, any application, submittals and/or covenants as Developer reasonably requests in connection with the Entitlements, and shall otherwise reasonably cooperate with Developer in Developer's attempt to procure the Entitlements (including, without limitation, furnishing all reasonably requested information known to be in the possession or control of this Party representative), provided Developer timely provides District and LACDA with copies of all proposed and final filings, submittals, and correspondence relating to any Entitlement applications. Should Developer abandon an Entitlement application, District and LACDA shall have the right to take over such application. Developer acknowledges and agrees that nothing in this Agreement constitutes a waiver of District or LACDA's regulatory or police powers with respect to the Transaction or the Proposed Project, and that District and LACDA's regulatory review and regulation of the Proposed Project, the desired Entitlements and the construction and operation of the Proposed Project shall not be subject to any terms or conditions set forth in this Agreement. The obligations contained in this Section 4.2.4 shall survive termination, expiration, or revocation of this Agreement.

4.2.5 Confidentiality. Developer acknowledges that all documents and reports submitted to District and LACDA pursuant to this Agreement will become "public records" subject to the Public Records Act pursuant to California Government Code Section 6250 et seq. ("**CPRA**") as provided below, may be subject to public disclosure, in each case unless an exemption to the CPRA applies.

Developer may seek to shield certain portions of its documents and reports from disclosure by marking such documents as “Confidential – Official Information”, as further discussed in Section 14 below.

- 4.3 Project Agreements. The essential terms and conditions of the Project Agreements to be negotiated and drafted pursuant to this Agreement shall be guided by the following requirements and conditions:
- 4.3.1 The negotiations shall be based on and guided by, and the Project Agreements shall incorporate the objectives, parameters, development requirements, terms, conditions, and other requirements set forth in the terms set forth in the District Board action by which negotiations and execution of this Agreement was approved, any applicable design and development of the Proposed Project, a schedule of performance, and the Parties’ obligations during the term of the Project Agreements.
 - 4.3.2 The Project Agreements shall be subject to all applicable ordinances, policies, and requirements of the District and LACDA, as well as state and federal law, including but not limited to compliance with applicable District and LACDA policies and procedures.
 - 4.3.3 The Project Agreements shall contain a scope of development consistent with the Proposed Project plans approved by the LACDA and District during the entitlement process and analyzed for environmental impacts under CEQA. The Parties acknowledge and agree that the Proposed Project may be modified by the Parties, including changes to the mix of uses, total development density, and design, as may be necessary to construct a feasible development project of the Proposed Project and to meet the District’s mission and goals as described in the RFP.
 - 4.3.4 The Project Agreements shall contain an estimated Schedule of Performance setting forth approximate anticipated times in which District, LACDA and the Developer are obligated to perform their respective obligations, including but not limited to the following: the time for submittal of construction plans to the County of Los Angeles Department of Public Works, Building and Safety; the time for satisfaction of all conditions precedent to exercise of the option under the Option Agreement; the time for commencement of construction of the Proposed Project (which may occur in phases); the date for completion of construction (which may occur in phases); and the opening and continuing operation of the Proposed Project (which may occur in phases).

- 4.3.5 The Ground Lease shall contain leasehold mortgagee protection language for the development of the Proposed Project. Developer agrees that District's fee interest in District Property and LACDA's fee interest in LACDA Property shall at all times be and remain unsubordinated to any leasehold mortgage which may be imposed upon Developer's leasehold interest or upon the improvements, and that nothing contained in this Agreement shall be construed as an agreement by District or LACDA to subject its fee interest to any lien.
- 4.3.6 The Project Agreements shall include provisions describing the financing for the Proposed Project, including "sources and uses" budget, and a feasible method of financing reasonably demonstrating to District and LACDA the availability of all funds needed to complete the Proposed Project. The Developer agrees to make continuing full disclosure to the District and LACDA of its proposed methods of financing the Proposed Project.
- 4.3.7 The Project Agreements shall set forth the rental rate and the other terms and conditions of the lease of the Project Site by District and LACDA to Developer.
- 4.3.8 Developer acknowledges that District and LACDA have entered into this Agreement in reliance on Developer's and its principals' unique (a) relationship to the community, (b) reputation, and (c) ability to complete the Proposed Project. Consequently, prior to completion of construction of the Proposed Project, the Project Agreements shall not allow their assignment or transfer without District's and LACDA's prior written consent, at their respective sole discretion, other than to an entity controlled by or under common control with Developer or one or more of its principals. If Developer assigns or transfers its interest to an entity controlled by or under common control with Developer or one or more of its principals, Developer shall provide 60 days' written notice to District and LACDA, prior to the assignment or transfer. The Ground Lease will allow for subleases in the ordinary course and for the assignment or transfer of such phase of the Proposed Project pursuant to criteria to be set forth in the Ground Lease.

5. District and LACDA Responsibilities.

- 5.1 Exclusive Negotiations. So long as Developer is negotiating in good faith and is not otherwise in material default of its obligations under this Agreement, District and LACDA shall negotiate exclusively and in good faith with Developer, as set forth in Section 1.1.

- 5.2 Initial Schedule of Performance. District and LACDA shall endeavor to meet the milestones required of District and LACDA, as set forth in the schedule of performance attached hereto as **Exhibit D**, which schedule may be modified during the Term as agreed between the Parties (the “**Schedule of Performance**”).
- 5.3 District and LACDA Discretion. District and LACDA are not approving, committing to, or agreeing to undertake: (a) the Proposed Project or any development; (b) lease of the Project Site to Developer; or (c) any other acts or activities requiring the subsequent independent exercise of discretion by District and LACDA.
- 5.4 Funding. District and LACDA have not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the Proposed Project.
- 5.5 Other Covenants. District and LACDA shall perform such other covenants and obligations required of District and LACDA as explicitly set forth in this Agreement.

6. Developer’s Responsibilities.

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

- 6.1 Proposed Project Information. District, LACDA and all agencies having regulatory jurisdiction over the Proposed Project, will require planning and design approval for the Proposed Project. Developer shall meet with representatives of District and LACDA to review and come to a clear understanding of the planning and design requirements of District and LACDA for the Proposed Project.
- 6.2 Schedule of Performance. Developer shall (subject to the terms of this Agreement, including, without limitation, Section 10.5) meet the milestones and submit the information required of Developer, as set forth in the Schedule of Performance, unless otherwise modified during the Term as agreed between the Parties through written notice.
- 6.3 Notice of Governmental Meetings. Developer shall use commercially reasonable efforts to provide at least two (2) weeks’ prior written notice to District and LACDA of any substantive meetings with governmental officials (including staff) relating to the Proposed Project and allow District and LACDA to attend such meetings. Developer shall keep District and LACDA fully informed during the Term regarding all substantive matters and meetings affecting the Proposed Project.

- 6.4 Environmental Documents and Entitlements. Developer shall provide District and LACDA, in accordance with the Schedule of Performance, conceptual plans, renderings, schematic drawings, programmatic plans and all other information and documentation (the “**Project Plans**”) necessary for District and LACDA to make appropriate findings pursuant to CEQA. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and of the Project Plans.
- 6.5 Financial Pro Forma. Within the time set forth in the Schedule of Performance, the Developer shall provide the District and LACDA with a detailed financial pro forma for the Proposed Project containing matters typically contained in such pro forma, including without limitation, a detailed development cost budget and a detailed operating income and expense estimate (“**Financial Pro Forma**”). The Financial Pro Forma is intended to provide the initial basis for determining the financial feasibility of the Proposed Project in connection with the negotiation of the Project Agreements. The Parties acknowledge that the Financial Pro Forma will continue to be refined in accordance with the Project Agreements.
- 6.6 Inspections. As promptly as is commercially reasonable, Developer shall conduct such inspections, tests, surveys, and other analyses (“**Inspections**”) as Developer deems reasonably necessary to determine the condition of the Proposed Property or the feasibility of designing, developing, constructing, leasing, and financing the Proposed Project. Any entry onto the Project Site by Developer or its employees, agents, contractors, successors, and assigns, shall be in accordance with a Right of Entry agreements (“**ROE**”), in the form attached hereto as **Exhibit E**, which each of District and LACDA shall grant to Developer. Pursuant to the ROEs, Developer shall coordinate and schedule the time(s) of its entry on to the Project Site to meet District and LACDA requirements. Developer’s and its contractors’ access to the Project Site shall not interfere, conflict with, or impair any other operations or activities on the Project Site, as set forth in the ROEs.
- 6.7 Further Information. District and LACDA reserve the right, at any time, to request from Developer, and Developer shall provide in a timely manner, additional or updated non-legally privileged information about Developer or the Proposed Project as may be related to the development of the Proposed Project.
- 6.8 Design Review Process. Developer shall engage and coordinate with District and LACDA regarding the design of the Proposed Project, and the design shall be subject to District and LACDA’s review and written approval (as well as that of any other agency having jurisdiction) as set forth in the Project Agreements. Developer shall provide at least two (2) weeks’ prior

written notice to District and LACDA of all design meetings and a three (3) week review period for each design submittal, excepting the initial submittal of the Project Plans, which the District and LACDA will have sixty (60) days to review pursuant to the Schedule of Performance.

- 6.9 Community Outreach Programs. The Developer shall present to the District and LACDA for its approval, the Developer's proposed plan for conducting outreach to various community groups and stakeholders for educating and soliciting input from the public with respect to the Proposed Project, and for informing the Board and other regulatory agencies about the Proposed Project during the Term ("**Community Outreach Program**"). The Community Outreach Program shall be in substantial accordance with the proposed outreach plan submitted by the Developer in Tab 7 of its RFP response and shall include, without limitation, a plan for use of outreach tools (e.g., mailers, brochures, forums educating the public, and a budget for publicizing the Proposed Project), along with the Developer's strategy for publicizing the Proposed Project and for keeping the appropriate regulatory agencies apprised of the development status of the Proposed Project. The Community Outreach Program shall be included in the Schedule of Performance and each identified milestone shall be reviewed and approved in writing by the District and LACDA prior to execution. The District and LACDA may suggest reasonable revisions or changes to the proposed Community Outreach Program, which Developer shall implement unless implementation is financially infeasible, in which case the Developer shall provide the District and LACDA with documentation illustrating why it cannot implement the District and LACDA's requested changes. During the Term, the Parties shall mutually agree upon the proposed Community Outreach Program, and no Party shall unreasonably withhold, condition, or delay its consent to revisions or changes. The Developer agrees and acknowledges that maintaining professional working relations with the District and LACDA's constituents, the public, and regulatory agencies, is critical to the District and LACDA.
- 6.10 Progress Reports. Upon reasonable notice, as from time to time requested by District and LACDA, Developer shall prepare and deliver written progress reports including financing and leasing activities, advising District and LACDA on studies being made, and matters being evaluated by Developer with respect to this Agreement and the Proposed Project. District and LACDA shall not request written reports more frequently than once each month.
- 6.11 Other Covenants. Developer shall perform such other covenants and obligations required of Developer as explicitly set forth in this Agreement.

7. No Commitment to Any Project; Independent Judgment.

7.1 No Commitment to Any Project. The Parties acknowledge and agree that District and LACDA: (a) have not committed to, authorized or approved the development of the Proposed Project or any other proposed improvements on the Project Site; (b) retain the absolute sole discretion to modify the Proposed Project as may be necessary to comply with CEQA or for any other reason; (c) may modify the Proposed Project, or decide not to proceed with the Proposed Project, as may be necessary to comply with CEQA, or for any other reason as determined in District's and LACDA's respective sole and absolute discretion; and (d) are not precluded from rejecting the Proposed Project, or from weighing the economic, legal, social, technological, or other benefits of the Proposed Project against its unavoidable environmental risks when determining whether to approve the Proposed Project. Further, no activities that would constitute a project under CEQA, including the Proposed Project, may be commenced until necessary findings and consideration of the appropriate documentation under CEQA are considered by the District and LACDA, and feasible mitigation measures and alternatives to the Proposed Project, including the "no project" alternative, required in connection with CEQA, may be adopted by the respective Board. Notwithstanding any other provision of this Agreement, neither the District nor LACDA shall be obligated to Developer or any other to approve the Proposed Project or liable to pay Developer or any other any damages, fees, penalties, or other sums as a result of either the District or LACDA's disapproval(s) of the Proposed Project, other than returning to Developer the unencumbered portion of the amount on Deposit, as set forth in Section 3.

7.2 Independent Judgment. District and LACDA will exercise independent judgment and analysis in connection with any required environmental reviews or determinations under CEQA for the Proposed Project, shall have final discretion over the scope and content of any document prepared under CEQA and shall have final discretion over the extent of any studies, tests, evaluations, reviews or other technical analyses. Any consultants retained for the purpose of preparing CEQA documentation shall reasonably comply with any directions from District and LACDA with respect thereto.

8. Indemnity and Insurance.

8.1 General Indemnity - Developer. Developer shall Indemnify (defined in Section 8.3.4) the Indemnified Parties (defined in Section 8.3.2) from and against all Claims (defined in Section 8.3.1) caused by or arising directly or indirectly from (a) any acts or omissions of any Developer Party (defined in Section 8.3.3) which constitute (i) a material breach of any Developer obligation under this Agreement, (ii) negligence by a Developer Party or (iii) willful misconduct by a Developer Party, including Claims that accrue

or are discovered before or after termination of this Agreement; and (b) any dispute among the Developer Parties, in each case without requirement that such Claims be paid first by the Indemnified Party. Developer shall not be liable to any such Indemnified Party for any Claim to the extent that such Claim is caused by the negligence or willful misconduct of any such Indemnified Party. In the event any dispute as to the nature of Indemnified Party's conduct with respect to any Claim, Developer shall defend such Indemnified Party until such dispute is resolved by final judgment.

8.2 Third Party Challenges. Without limiting the generality of the indemnity set forth in Section 8.1, Developer shall Indemnify Indemnified Parties from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorneys' and expert witness fees), arising from or connected with any challenges by third parties to (a) approvals of this Agreement, any of the Project Agreements, or any entitlement or plan for the proposed project or project site, (b) District and LACDA's CEQA approvals as the Lead Agency (with regard to any aspect of the planned development of the Proposed Project or Project Site, or (c) District or LACDA's certification as a Responsible Agency (with regard to any aspect of the planned development of the Proposed Project or Project Site); provided that the indemnity under this Section 8.2 and under Section 8.1 shall not apply to, and Developer shall have no liability to District or LACDA with respect to, any challenge brought against District and/or LACDA under or with respect to the California Surplus Land Act. The indemnity obligations set forth in this Section 8.2 shall exclude the Indemnification Parties' own consequential losses. For indemnity obligations arising under this Section 8.2, Developer shall have the right to select counsel and to direct the defense of any such claim or suit, provided that any settlement shall require the prior written consent of District and LACDA, with such consent to be granted or withheld in each of District's and LACDA's reasonable discretion.

8.3 Definitions. The following terms shall have the following meanings:

8.3.1 "**Claim**" means any claim, loss, demand, action, liability, penalty, fine, judgment, lien, forfeiture, cost, expense, damage, or collection cost (including reasonable fees of attorneys, consultants, and experts related to any such claim).

8.3.2 "**Indemnified Parties**" means collectively, for purposes of indemnification only, District, LACDA and their respective affiliates, attorneys, agents, trustees, successors, assigns, and any individual (employee, officer, partner, director, member, commissioner or board member) employed by or acting on behalf of any of the above entities.

8.3.3 **“Developer Party”** means, for purposes of indemnification only, Developer and Developer’s employees, agents and contractors.

8.3.4 **“Indemnify”** means collectively indemnify, defend (by counsel reasonably acceptable to Indemnified Party), protect, and hold harmless, without requirement that the Indemnified Party first pay any amounts.

8.4 Survival. Notwithstanding anything to the contrary elsewhere in this Agreement, the indemnity obligations under this Agreement shall survive any expiration, termination or assignment of this Agreement.

8.5 Insurance. Prior to Developer’s or its employees’, contractors’ or consultants’ entry onto the Project Site, Developer shall provide District and LACDA with evidence of insurance in the form and subject to the requirements set forth in the ROE.

9. Failure to Reach Agreement.

This Agreement is an agreement to enter into exclusive negotiations with respect to the Transaction. Each Party expressly reserves the right to decline to enter into any agreement if the Parties fail to agree to terms satisfactory to all Parties with respect to the Transaction after a good faith effort by all Parties to reach an agreement on the Project Agreements. Except as expressly provided in this Agreement, none of the Parties shall have any obligation, duty, or liability hereunder in the event the Parties fail to timely agree upon and execute the Project Agreements. If the Parties have not executed the Project Agreements prior to the expiration or termination of this Agreement, then upon expiration or termination of this Agreement, any rights or interest that Developer may have under this Agreement shall cease without requiring any notice from District and LACDA, and District and LACDA shall have the right thereafter to use, develop (alone or with any other entity), or dispose of the Project Site as District and LACDA shall determine appropriate in its sole and absolute discretion.

10. Termination; Default and Remedies.

10.1 Right to Terminate. In addition to any other right of termination set forth in this Agreement, any Party may terminate this Agreement upon thirty (30) days prior written notice to the other Party, if such terminating Party in good faith determines any of the following: (a) the execution of satisfactory Project Agreements is not likely, (b) the Proposed Project is not feasible, (c) the Proposed Project is not capable of being financed in a commercially reasonable manner, or (d) the Proposed Project is not likely to be developed and constructed in a timely manner, all subject to the meet and confer process in Section 10.1.1.

10.1.1 If a Party in good faith determines that it desires to terminate the Agreement pursuant to Section 10.1, the Party shall give written

notice to the other Parties as soon as practicable after the determination is made. Upon such written notice, a meet and confer shall be promptly held between the Parties regarding the basis for such determination and the steps reasonably necessary and appropriate to cure the condition in Section 10.1, including an appropriate and sufficient time period for the non-terminating Parties to cure (“Cure Period”). If, after such meet and confer process and Cure Period, the terminating Party determines that the condition cannot be sufficiently corrected, the terminating Party shall have the right to send written notice to the non-terminating Parties specifying the nature of its determination and the steps it reasonably believes can be taken to cure the condition and advising that the Agreement may terminate unless such condition is cured within a commercially reasonable time. If the condition is not corrected within a commercially reasonable time, then the Agreement may be terminated.

10.2 Breach. The occurrence of any one or more of the following events shall constitute a breach under this Agreement (each a “**Breach**”):

10.2.1 The failure of a Party to perform any obligation, or to comply with any covenant, restriction, term, or condition of this Agreement;

10.2.2 The failure of a Party to meet the milestones set forth in the Schedule of Performance, unless otherwise modified and agreed to in writing by the Parties; or

10.2.3 Any material representation or warranty made by a Party proves to be false or misleading in any material respect at the time made or at any time during the Term.

10.3 No Breach. The District or LACDA’s modification of the Proposed Project (in a manner consistent with the RFP), adoption of reasonable mitigation measures, or reasonable disapproval of the Proposed Project shall not be a Breach.

10.4 Default. A Breach shall become a default under this Agreement (each a “**Default**”) if the Party committing the Breach fails to cure the Breach within the following time periods:

10.4.1 For all monetary Breaches, ten (10) business days after receipt of written notice of such monetary Breach;

10.4.2 For all non-monetary Breaches, twenty (20) business days after receipt of written notice (“**Cure Notice**”) from the aggrieved Party specifying such non-monetary Breach in reasonable detail, where such non-monetary Breach could reasonably be cured within such twenty (20) Business Day period; or

10.4.3 Where such non-monetary Breach could not reasonably be cured within such twenty (20) Business Day period, such reasonable additional time as is necessary to promptly and diligently complete the cure, but (other than in the case of Unavoidable Delay as set forth in Section 10.5) not longer than ninety (90) days thereafter (“**Outside Date**”); provided that the breaching Party promptly commences to cure such non-monetary Breach after receiving the Cure Notice and thereafter diligently and continuously pursues completion of such cure.

10.5 Unavoidable Delay. If a non-monetary Breach is due to an Unavoidable Delay (as defined below), then the Party claiming the delay shall have the right to extend the Outside Date and the expiration date of the Term by a period equal to the duration of the Unavoidable Delay by written notice to the other Parties. The duration of the Unavoidable Delay shall commence only after written notice of such Unavoidable Delay is delivered to the other Parties, provided that if written notice of such Unavoidable Delay is given within five (5) business days after the commencement of the delay, then the date of the commencement of the Unavoidable Delay shall be retroactive to the actual commencement date of the delay. A written notice of Unavoidable Delay must reasonably specify: (a) the nature of the delay; (b) the date the delay commenced and (if not ongoing) ended; and (c) the reason(s) such delay is an Unavoidable Delay. Upon the documentation of an Unavoidable Delay pursuant to this Section 10.5, a meet and confer shall promptly be held between the Parties regarding the occurrence. Subject to the outcome of the meeting, the Outside Date and the expiration date of the Term shall be extended by the period of the Unavoidable Delay.

The term Unavoidable Delay shall mean a delay that is caused by war, insurrection, strikes or other labor actions, lock-outs, riots, floods, earthquakes, fires, casualty loss, acts of the public enemy, epidemics, pandemics, quarantine restrictions, shelter in place or stay at home orders, freight embargoes, or severe weather in excess of normal, and all other events, similar or dissimilar, beyond the control and without the fault of the Party claiming the delay.

10.6 Remedies. If any Default occurs, any non-defaulting Party shall have the right, but not the obligation, to avail itself of any one or more of the following remedies:

10.6.1 A non-defaulting Party may, at its sole election, terminate this Agreement upon not less than five (5) days prior written notice of termination provided to the defaulting Party.

10.6.2 Unless otherwise provided herein, in addition to the foregoing, any non-defaulting Party may exercise any right or remedy it has under this Agreement, or which is otherwise available at law or in equity.

All rights, privileges and elections or remedies of the Parties are cumulative and not alternative to the extent permitted by law (including suit for damages) or in equity.

10.7 Upon Termination of Agreement. Upon termination of this Agreement for any reason: (a) any rights or interest that Developer may have under this Agreement shall cease and District and LACDA shall have the right thereafter to use, develop (alone or with any other entity) or dispose of the District Property and LACDA Property as District or LACDA shall determine appropriate in their sole and absolute discretion and (b) the Development Documents (excluding any that are legally privileged or that include confidential business information unique to the Developer) shall become the property of District and LACDA.

11. Entire Agreement; Amendments.

This Agreement, including all exhibits, constitutes the entire understanding among the Parties and supersedes all other agreements, oral or written, with respect to the subject matter herein. Additionally, this Agreement may not be amended except in writing signed by all of the Parties.

12. Covenant Against Discrimination.

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

13. Confidentiality.

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

13.2 Notwithstanding the foregoing Section 13.1, the Developer acknowledges that each of the District and LACDA, as a governmental agency, (a) is

subject to broad disclosure obligations under CPRA, and (b) holds meetings which are open to the public and subject to the Brown Act and at which information concerning the Proposed Project may be disclosed including reports describing the Proposed Project, and including any documents to be approved by District and/or LACDA. Nothing in this Agreement shall prohibit any disclosure required by law. As a general rule, all records (documents and materials) submitted by the Developer and received by the District or LACDA ("**Submitted Materials**") are considered public records and are subject to disclosure to the public under the requirements of the CPRA. The Parties shall cooperate in good faith to, prior to public disclosure, evaluate the materials or information being requested and determine whether any additional exemptions apply under the CPRA that authorize the District and LACDA to not disclose the Submitted Materials.

- 13.3 The Developer acknowledges and agrees that the District and LACDA may share Submitted Materials provided by the Developer (e.g., of a financial and potential proprietary nature) with third-party consultants and attorneys who have been engaged to advise the District and LACDA concerning matters related to this Agreement as part of the negotiation and decision-making process. District and LACDA shall require all such third-party consultants and attorneys maintain the confidentiality of all Submitted Materials unless and until such Submitted Materials have lawfully been disclosed to the public.
- 13.4 Any Submitted Materials that the Developer clearly labels as "Confidential Official Information," ("**Official Information**") shall be deemed to provide all recipients thereof with actual knowledge that Developer deems such document to be confidential and proprietary pursuant to this Section 13 and the CPRA.
- 13.5 To the extent that the District and/or LACDA receives a request to disclose any Submitted Materials that are clearly marked as "Confidential – Official Information," and the District and/or LACDA determines that there is a legal basis for withholding such Official Information from public disclosure, neither the District nor LACDA shall disclose such Official Information unless compelled by court order; provided that the Developer shall defend, indemnify, and hold harmless the District and LACDA regarding any claim or litigation by any third party for such public disclosure, and such obligation shall survive the termination of this Agreement and any expiration of the Term.
- 13.6 To the extent that the District and LACDA receives a request to disclose any Submitted Materials, and the District and LACDA does not identify a legal basis to withhold the Submitted Materials, the District and LACDA shall provide written notice to the Developer, and the Developer shall be given a reasonable opportunity to seek a court order to preclude the District

and LACDA from disclosing such Submitted Materials, or applicable portion thereof, provided that in such event the Developer shall defend, indemnify, and hold the District and LACDA harmless regarding any claim or litigation by any third party, and such obligation shall survive any termination of this Agreement and any expiration of the Term.

13.7 Except as expressly set forth above in this Section 13, District and LACDA shall be entitled to publicly disclose all Submitted Materials.

13.8 In the event of any breach of this Section 13, the injured Party will be entitled, in addition to any other remedies that it may have at law or in equity, to injunctive relief or an order of specific performance.

14. Compliance with Laws.

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

15. Successors and Assigns.

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

16. Notices.

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

To District:

Compton Unified School District
501 S. Santa Fe Avenue
Compton, CA 90220
Attention: Darin Brawley, Ed.D.
Superintendent of the District
Telephone: 310-604-6558
Email: Dbrawley@compton.k12.ca.us

With a copy to:

Orbach Huff Suarez & Henderson LLP
1901 Avenue of the Stars, Suite 575
Los Angeles, CA 90067
Attn: Sarine A. Abrahamian, Esq.
Telephone: 310-788-9200
Email: Sabrahamian@ohshlaw.com

To LACDA:

Los Angeles County Development Authority
Community & Economic Development Division
700 West Main Street
Alhambra, CA, 91801
Attention: Carey Jenkins
Telephone: 626-586-1854
Email: Carey.Jenkins@lacda.org

With a copy to:

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

To Developer:

CDU/MLK Wellness Collaborative, LLC
c/o Charles R. Drew University of Medicine and Science
1731 E. 120th Street
Los Angeles, CA 90059
Attention: Carl A. McLaney
Telephone: 323-563-4854
Email: carlmclaney@cdrewu.edu

With a copy to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071-1560

Attention: Kim N. A. Boras
Email: kim.boras@lw.com

17. Interpretation.

- 17.1 Construction. This Agreement shall be construed in accordance with its fair meaning, and not strictly for or against either Party.
- 17.2 Gender. When the context of this Agreement requires, (a) the neuter gender includes the masculine and feminine and any entity and (b) the singular includes the plural.
- 17.3 Section Headings. The headings of the Sections of this Agreement are inserted solely for convenience of reference and are not intended to govern, limit or aid in the construction of any term or provision hereof. Unless otherwise explicitly provided, all references to “Sections” are respectively to articles or sections of this Agreement.
- 17.4 Interpretation. The word “including” shall be construed as though the words “but not limited to” were, in each case, appended thereafter, and shall not be deemed to create a limitation to the list that follows “including.”
- 17.5 Exhibits. All references in this Agreement to exhibits shall be construed as though the words “hereby made a part hereof and incorporated herein by this reference” were, in each case, appended thereto. In the event of a conflict between this Agreement and any of the exhibits attached hereto, the terms of this Agreement shall govern.
- 17.6 No Third-Party Beneficiaries. Except as expressly set forth in this Agreement, no parties other than the Parties and their successors and assigns, shall be a beneficiary of the rights conferred in this Agreement, and no other party shall be deemed a third-party beneficiary of such rights.
- 17.7 Severability. If (a) any provision of this Agreement is held by a court of competent jurisdiction as to be invalid, void or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.
- 17.8 No Partnership. Nothing in this Agreement shall be deemed or construed as creating a partnership, joint venture, or association between the Parties, or cause either Party to be responsible in any way for the debts or obligations of the other Party.
- 17.9 No Assignment by Developer. The Parties acknowledge and agree that District and LACDA have entered into this Agreement in reliance on Developer’s unique abilities to develop the Project; consequently,

Developer shall have no right to assign its rights or duties under this Agreement. Notwithstanding the foregoing, upon written approval by the District and the LACDA, which approval shall not be unreasonably withheld, Developer shall be permitted to assign its rights and duties under this Agreement to (a) an affiliate of Developer or (b) a single purpose entity created by Developer for the purpose of purchasing the Project Site and developing the Proposed Project .

18. Limitations of this Agreement

18.1 This Agreement does not constitute a commitment of any kind by District or LACDA regarding the lease, transfer, or development of all or any part of the Project Site. Execution of this Agreement by District and LACDA is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board of each Party as to any Project Agreements and all proceedings and decisions in connection therewith.

19. Counterparts

19.1 This Agreement 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 delivery of a signed counterpart of this Agreement by facsimile or email shall have the same legal effect as delivery of an original signed counterpart by hand. This Agreement shall only be effective as a binding legal agreement among the parties after signed counterparts have been exchanged among the Parties.

(Signature Pages to Follow.)

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

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

By: Kathleen Thomas
Emilio Salas
Executive Director

Digitally signed by: Kathleen Thomas
DN: CN = Kathleen Thomas email =
kathy.thomas@lacda.org C = US O =
LACDA OU = Executive Office
Date: 2021.04.01 16:06:20 -08'00'

APPROVED AS TO FORM FOR THE LACDA:

Rodrigo A. Castro-Silva
County Counsel

By: Behnaz Tashakorian
Behnaz Tashakorian
Senior Deputy County Counsel

COMPTON UNIFIED SCHOOL DISTRICT

By: _____
Shannon Soto, Ed.D.
Chief Administrative Officer

CDU/MLK WELLNESS COLLABORATIVE, LLC

By: _____
David M. Carlisle, MD, PhD
President & CEO

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

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

By: _____
Emilio Salas
Executive Director

APPROVED AS TO FORM FOR THE LACDA:

Rodrigo A. Castro-Silva
County Counsel

By: _____
Behnaz Tashakorian
Senior Deputy County Counsel

COMPTON UNIFIED SCHOOL DISTRICT

By: S. Soto
Shannon Soto, Ed.D.
Chief Administrative Officer

CDU/MLK WELLNESS COLLABORATIVE, LLC

By: _____
David M. Carlisle, MD, PhD
Authorized Signatory

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

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

By: _____
Emilio Salas
Executive Director

APPROVED AS TO FORM FOR THE LACDA:

Rodrigo A. Castro-Silva
County Counsel

By: _____
Behnaz Tashakorian
Senior Deputy County Counsel

COMPTON UNIFIED SCHOOL DISTRICT

By: _____
Shannon Soto, Ed.D.
Chief Administrative Officer

CDU/MLK WELLNESS COLLABORATIVE, LLC


By:  _____
David M. Carlisle, MD, PhD
Authorized Signatory

EXHIBIT A
District Property

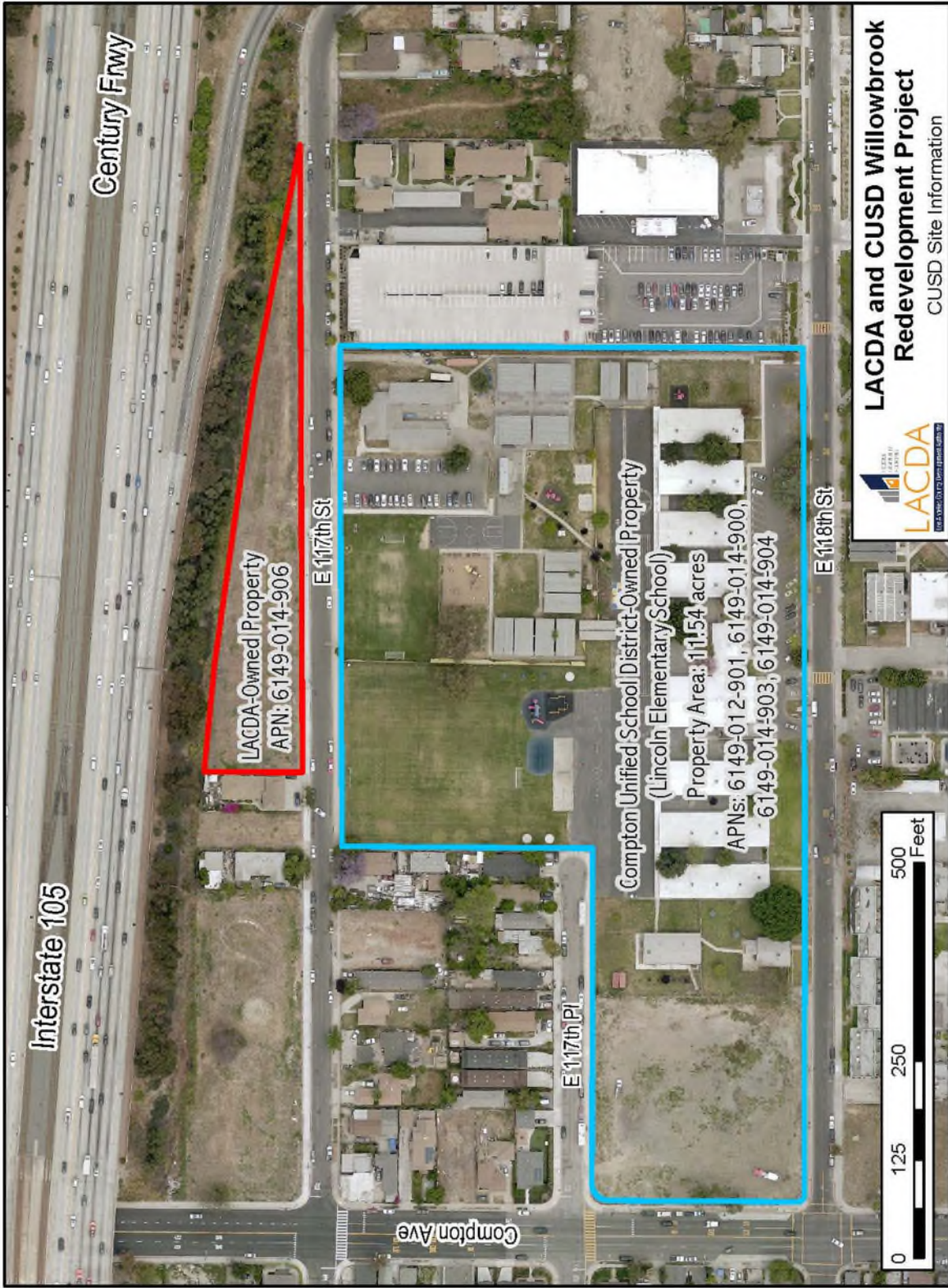


EXHIBIT B
LACDA Property



EXHIBIT C

Preliminary Design Concept for Proposed Project

The Willowbrook Joint Development Project (Proposed Project) is an approximately 12.8-acre (559,109 square feet) site comprised of the Compton Unified School District (CUSD) property located at 1667 E. 118th St, Los Angeles, CA 90059 and the Los Angeles County Development Authority (LACDA) property located at 1655 E. 117th Street, Los Angeles, CA 90059. The Proposed Project is located in the unincorporated Los Angeles County community of Willowbrook.

The Proposed Project consists of approximately 252 affordable housing units, 70 workforce housing units, and 263 residential dormitory units. Also proposed are the following: 46,000 square feet of office, research, and clinical space, 40,000 square feet of administrative office facilities dedicated to the Martin Luther King Jr. Community Hospital, 50,000 square feet of administrative office space dedicated to the Drew Child Development Corporation, and up to 90,000 square feet of athletic and open space.

Proposed Project Conceptual Plan



EXHIBIT D

Schedule of Performance

	Activity	Estimated Target Date/ Timeframe and Section of ENA
1.	Within five (5) business days after the Effective Date (as set forth in the Preamble), Developer shall deposit the amount of one hundred thousand dollars (\$100,000) via wire transfer or Automated Clearing House electronic funds transfer as directed by LACDA in writing prior to the Effective Date.	Within 5 business days of the ENA effective date. Section 3
2.	Within thirty (30) days of the Effective Date, Developer shall submit to the District and LACDA an outreach plan detailing the Developer's strategy for publicizing the Proposed Project and for keeping the appropriate regulatory agencies apprised of the development status of the Proposed Project	Within thirty (30) days of the ENA effective date Section 6.9
3	LACDA and District will provide Developer with feedback of the outreach plan within fifteen (15) days of receiving it	Within fifteen (15) days of receiving outreach plan Section 6.9
4.	Developer shall submit to the District and LACDA Proposed Project financial information (the "Project Financial Information") that shall include: (1) an estimate of development costs, including construction and non-construction costs; (2) a description of the proposed method of financing; (3) a proposed construction and operating pro forma which identifies all sources and uses of funds; (4) Developer's financial strategy for development of the Proposed Project (including, as available, preliminary loan approvals and/or audited financial statements).	Within One Hundred and Twenty (120) days of the Effective Date. Section 6.5
5.	The District and the LACDA will provide to the Developer its evaluation (the "Project Evaluation") of the Project Financial Information.	Within Forty-Five (45) days of the date of receipt of the Project Financial Information. Section 5.2
6.	Developer shall submit to the District and LACDA preliminary Project Plans necessary for District and LACDA to make appropriate findings pursuant to CEQA, the entitlement process and Design Review Process. The preliminary Project Plans shall be with reference to the overall Project Site and Proposed Project and shall not include the detail for each phase and the stand-alone, specific projects related thereto, each of which will be	Within One Hundred and Eighty (180) days of the Effective Date. Section 6.4

	subject to design review by the District and LACDA on a per phase and/or project basis at a later date as determined under the executed Project Agreements.	
7.	District and LACDA shall review and approve the preliminary Project Plans in order for the Developer to submit for CEQA approvals and entitlements for the overall Proposed Project with Los Angeles County Regional Planning.	Within Sixty (60) days of the submittal of the preliminary Project Plans to the District and LACDA. Section 6.8
8.	Developer shall submit preliminary Project Plans to Los Angeles County Regional Planning in order to process the CEQA documentation and required entitlements as determined by Los Angeles County Regional Planning.	Within Sixty (60) days of receiving written comments on the preliminary Project Plans from the District and LACDA. Section 6.8
9.	Based on the information submitted by Developer and the Project Evaluation, the Parties shall negotiate and finalize the terms of the Project Agreements and shall process any CEQA review documents as may be necessary. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and of the preliminary Project Plans.	Within the ENA Term. Section 6.4
10.	Pursuant to right-of-entry agreements with the District and LACDA, Developer may conduct inspections, tests, surveys, and other analyses (collectively, "Inspections") as Developer deems reasonably necessary to determine the condition of the Project Site and the feasibility of designing, developing, constructing and financing the Proposed Project. Developer shall complete such Inspections as promptly as commercially reasonably feasible.	Within the ENA Term. Section 6.6

EXHIBIT E

Form of Right of Entry Agreement

RIGHT OF ENTRY PERMIT

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

This Right of Entry Permit ("Permit") is made and entered into this 24th day of May, 2021, by and between the Los Angeles County Development Authority ("LACDA"), a public agency activated pursuant to Part 1.7 of Division of the Health and Safety Code and CDU/MLK Wellness Collaborative, LLC, a California limited liability company ("Permittee"). LACDA and Permittee agree as follows:

1. PREMISES: Permittee, after execution by LACDA, is hereby granted permission to enter LACDA property located in the 1660 block of East 117th Street, in the unincorporated Willowbrook neighborhood of the County of Los Angeles ("County"), as described in Exhibit "A", attached hereto and incorporated herein by this reference ("Premises"). Entry constitutes acceptance by Permittee of all conditions and terms of this Permit.
2. PURPOSE: The sole purpose of this Permit is to allow Permittee and its subcontractors to enter the Premises to conduct physical due diligence, such as surveys, geophysical assessments and environmental site assessments, and including, without limitation, the following: underground surveys, soil testing and boring activities (collectively, the "Permitted Activities").
3. TERM: The term of this Permit shall be for a period of eighteen (18) months, commencing upon the date that LACDA executes this Permit (the "Commencement Date"). The hours of operation for this Permit shall be between 8:00 a.m. and 5:00 p.m. The term may be extended by mutual agreement in writing between Permittee and LACDA.
4. CONSIDERATION: Consideration for this Permit shall be Permittee's faithful performance of its obligations under this Permit.
5. ADDITIONAL CHARGES: Permittee agrees to pay any charges for utilities that may be required for the Permitted Activities and for the safekeeping of the Premises for the prevention of any accidents as a result of the Permittee's activities thereon.
6. NOTICE: Notices desired or required to be given by this Permit or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, Certified Mail, Return Receipt Requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Permittee as follows:

CDU/MLK Wellness Collaborative, LLC
c/o Charles R. Drew University of Medicine and Science
1731 E. 120th Street
Los Angeles, CA 90059
Attn: Carl A. McLaney
Email: carlmclaney@cdrewu.edu

or such other place in California as may hereinafter be designated in writing by the Permittee. The Notices, Certificates of Insurance and Envelopes containing the same to LACDA shall be addressed to:

Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801
Attn: Director of Community & Economic Development Division
Email: linda.jenkins@lacda.org

7. **INDEMNIFICATION:** Permittee agrees to indemnify, defend (with counsel reasonably approved by LACDA) and hold harmless LACDA, its agents, elected and appointed officers and employees (collectively the "Indemnitees") from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury (including any Workers' Compensation suits, liability or expense) property damage, including damage to LACDA property, leased property, or statutory or regulatory violations arising from or connected with Permittee's entry onto and conduct of any Permitted Activities on the Premises performed by or on behalf of Permittee by any person pursuant to this Permit. This Section 7 shall survive the termination, expiration or revocation of this Agreement.
8. **GENERAL INSURANCE REQUIREMENTS:** While this permit is in effect, Permittee or its contractor shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Permit, insurance, as required by LACDA, in the amount and coverages specified on, and issued by insurance companies as described in Exhibit "B".

Notification of Incidents, Claims or Suits: Permittee shall report to LACDA any accident or incident relating to Permittee's entry which involves any material injury or property damage which may result in the filing of a claim or lawsuit against Permittee and/or LACDA in writing within three business days of occurrence.

9. **OPERATIONAL RESPONSIBILITIES:** Permittee shall:
 - a. Comply with and abide by all applicable rules, regulations, and directions of LACDA.
 - b. Comply with all applicable County ordinances and all applicable State and Federal laws, and in the course thereof obtain and keep in effect all permits and licenses required to conduct the Permitted Activities on the Premises.

- c. Maintain the Premises and surrounding area in a clean and sanitary condition to the satisfaction of LACDA.
- d. Conduct the Permitted Activities in a courteous and non-profane manner; operate without interfering with the use of the Premises by LACDA. LACDA has the right to request Permittee to remove any agent, contractor or employee who fails to conduct Permitted Activities in the manner heretofore described.
- e. Assume the risk of loss, damage, or destruction to any and all fixtures and personal property belonging to Permittee that are installed or placed within the area occupied.
- f. Repair or replace any and all LACDA property lost, damaged, or destroyed as a result of or connected with the conduct or activities of the Permittee under this Permit. In the event utility services, including but not limited to sewer services, for the Premises are interrupted, Permittee shall promptly make repairs. Should Permittee fail to promptly make any and all repairs required by LACDA during or following completion of Permittee's project, LACDA may have repairs made at Permittee's cost and Permittee shall pay costs in a timely manner.
- g. Pay charges for installation and service costs for all utilities used for the conduct of the Permitted Activities, if needed.
- h. Except for the purpose described in Section 2, Permittee agrees to restore the Premises, prior to the termination of this Permit, and to the satisfaction of LACDA, to the conditions that existed prior to the commencement of the Permitted Activities, excepting ordinary wear and tear or damage or destruction by the acts of God, or other events, beyond the control of Permittee. This shall include removal of all rubbish and debris, as well as structures placed on the Premises by Permittee in order that the Premises will be neat and clean and ready for normal use by LADA on the day following the termination of this Permit. Should Permittee fail to accomplish this, LACDA may perform the work and Permittee shall pay the cost.
- i. Allow LACDA to enter the Premises at any time to determine compliance with the terms of this Permit, or for any other purpose incidental to the performance of the responsibilities of LACDA.
- j. Provide all security devices required for the protection of the fixtures and personal property used in the conduct of the Permitted Activities from theft, burglary, or vandalism, provided written approval for the installation thereof is first obtained from LACDA.
- k. Prohibit all advertising signs or matter from display at the Premises, other than signs displaying the name of Permittee.

- l. Prohibit the sale of food at the Premises.
 - m. Keep a responsible representative of the Permittee available on or near the Premises during the times that Permittee is using said Premises for the purposes stated in Section 2 above. This person shall carry copies of this Permit for display upon request.
 - n. Prior to entry onto the Premises pursuant to this Permit, notify LACDA, in writing, of the times and dates the work or activity is to take place.
 - o. Request permission of LACDA to enter occupied portions of the Premises not less than twenty-four (24) hours in advance, together with a description of the nature and extent of activities to be conducted on the Premises.
 - p. At Permittee's sole cost and expense, be responsible for the cost of repairing the parking lot, sidewalks, driveways, landscaping and irrigation systems on the Premises which may be damaged by Permittee or Permittee's agents, employees, invitees or visitors, during the term of this Permit, to LACDA's satisfaction. Said repairs shall include the restoration of said landscaping and rerouting of said irrigation systems affected by Permittee's work on the Premises, if necessary.
10. **INDEPENDENT STATUS:** This Permit is by and between LACDA and Permittee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between LACDA and Permittee. Permittee understands and agrees to bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Permittee pursuant to this Permit.
11. **EMPLOYEES:** All references to the "Permittee" in the Permit are deemed to include the employees, agents, assigns, contractors, and anyone else involved in any manner in the exercise of the rights therein given to the undersigned Permittee.
12. **LIMITATIONS:** It is expressly understood that in permitting the right to use said Premises pursuant to this Permit, no estate or interest in real property is being conveyed to Permittee, and that the right to use is only a nonexclusive, revocable and unassignable permission to enter the Premises in accordance with the terms and conditions of the Permit for the purpose of conducting the Permitted Activities.
13. **ASSIGNMENT:** This Permit is personal to Permittee, and in the event, Permittee shall attempt to assign or transfer the same in whole or part all rights hereunder shall immediately terminate.
14. **AUTHORITY TO STOP:** In the event that an authorized representative of LACDA finds that the activities being held on the Premises unnecessarily endanger the health or safety of persons on or near said property, the representative may require

that this Permit immediately be suspended until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.

15. **DEFAULT:** Permittee agrees that if default shall be made in any of the terms and conditions herein contained, LACDA may forthwith revoke and terminate this Permit after having afforded Permittee written notice of such default and a period of 20 days within which to cure such default, provided that (a) if such default is not reasonably capable of cure within such 20-day period and Permittee shall have commenced to cure such default within such 20-day period, LACDA shall not revoke or terminate this Permit so long as Permittee shall diligently be pursuing such cure, and (b) if Permittee effects the cure of such default within such 20-day cure period (as it may be extended pursuant to clause (a) preceding), LACDA shall have no right to revoke or terminate this Permit as a result of such default.
16. **ALTERATIONS AND IMPROVEMENTS:** Permittee has examined the Premises and knows the condition thereof. Permittee accepts the Premises in the present state and condition and waives any and all demand upon LACDA for alteration, repair, or improvement thereof. Permittee shall make no alteration or improvements to the Premises, except those identified in Section 2 hereof, without prior written approval from LACDA, and any fixtures and/or personal property incidental to the purposes described in Section 2 hereof shall be removed by Permittee prior to the termination of this Permit, and in the event of the failure to do so, title thereto shall vest in LACDA. All betterments to the Premises shall become the property of LACDA upon the termination of this Permit.
17. **COUNTY LOBBYIST ORDINANCE:** Permittee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which LACDA may terminate or suspend this Permit.
18. **INTERPRETATION:** Unless the context of this Permit clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes and "including" are not limiting.
19. **ENTIRE AGREEMENT:** This Permit contains the entire agreement between the parties hereto regarding entry to the Premises to conduct the Permitted Activities, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both LACDA and Permittee.
20. **TIME IS OF THE ESSENCE:** Time is of the essence for each and every term, condition, covenant, obligation, and provision of this Permit.
21. **POWER AND AUTHORITY:** The Permittee has the legal power, right and authority to enter into this Permit, and to comply with the provisions hereof. The individuals executing this Permit on behalf of any legal entity comprising Permittee

have the legal power, right and actual authority to bind the entity to the terms and conditions of this Permit.

22. SURVIVAL OF COVENANTS: The covenants, agreements, representations and warranties made herein are intended to survive the termination of the Permit.

PERMITTEE:

CDU/MLK Wellness Collaborative, LLC,
a California limited liability company

By: 

David M. Carlisle, MD, PhD
Authorized Signatory

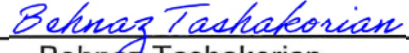
Who hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Permittee to the terms and conditions in this Permit.

This Permit has been executed on behalf of LACDA on the 24th day of May, 2021.

**LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY**

By: 
Emilio Salas
Executive Director

Rodrigo A. Castro-Silva, County Counsel

By: 
Behnaz Tashakorian
Senior Deputy County Counsel

RIGHT OF ENTRY PERMIT
PERMITTEE: _____

EXHIBIT "A"
LEGAL DESCRIPTION

RIGHT OF ENTRY PERMIT
PERMITTEE: _____

EXHIBIT "B"
INSURANCE REQUIREMENTS

Without limiting Permittee's duties to indemnify and defend as provided in this Right of Entry Permit, Permittee shall procure and maintain, at Permittee's sole expense, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance or must be included on the California Department of Insurance List of Approved Surplus Line Insurers (hereinafter "LASLI"). Such carriers must have a minimum rating of or equivalent to A: VIII in A.M. Best's Insurance Guide. Permittee shall, concurrent with the execution of this Right of Entry Permit, deliver to LACDA certificates of insurance with original endorsements evidencing the insurance coverage required by this Right of Entry Permit. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Right of Entry Permit, but no later than thirty (30) days following execution of this Right of Entry Permit. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. During the term of this Permit, Permittee shall ensure that LACDA has current certificates of insurance and applicable endorsements. Any self-insurance program and self-insured retention must be separately approved by LACDA. In the event such insurance does provide for deductibles or self-insurance, Permittee agrees that it will defend, indemnify and hold harmless LACDA and their elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Permittee shall provide LACDA at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Permittee shall give LACDA immediate notice of any insurance claim or loss which may be covered by insurance. Permittee represents and warrants that the insurance coverage required herein will also be provided by any entities with which Permittee contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier:

The insurance policies set forth herein shall be primary insurance and non-contributory with respect to LACDA. The insurance policies shall contain a waiver of subrogation for the benefit of LACDA. Failure on the part of Permittee, and/or any entities with which Permittee contracts, to procure or maintain the insurance coverage required herein may, upon LACDA's sole discretion, constitute a material breach of this Right of Entry Permit pursuant to which LACDA may immediately terminate this Right of Entry Permit and

exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of LACDA, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by LACDA shall be immediately repaid by Permittee to LACDA upon demand including interest thereon at the default rate. In the event of such a breach, LACDA shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Permittee's failure to assert or delay in asserting any claim shall not diminish or impair LACDA rights against Permittee or the insurance carrier.

When Permittee, or any entity with which Permittee contracts, is naming LACDA as an additional insured on the general liability insurance policy set forth below, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in LACDA's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01 in place of CG 20 10 11 85.

The following insurance policies shall be maintained by Permittee and any entity with which Permittee contracts for the duration of this Right of Entry Permit, unless otherwise set forth herein:

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) including coverage for bodily injury, personal injury, and property damage with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence.....	\$1,000,000

LACDA and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the "Public Agencies and their Agents"), shall be named as additional insureds for contractor's work on such policy. If Permittee contracts for or performs any digging, excavation or any work below grade, Permittee shall require such contractor to provide coverage for explosion, collapse, and underground ("XCU") property damage liability in addition to insurance required in this Exhibit.

B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. This must include a waiver of subrogation in favor of the Public Agencies and their Agents. In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident.....	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all “owned”, “hired”, and “non-owned” vehicles, or coverage for “any auto.”

D. POLLUTION LIABILITY INSURANCE (in the event that Permittee or any of its employees, agents or contractors intends to perform any invasive testing, remediation of hazardous substances or any other activity that might be reasonably expected to include or release hazardous substances) including coverage for bodily injury, personal injury, death, property damages, and environmental damage with limits of not less than the following:

General Aggregate	\$1,000,000
Completed Operations.....	\$1,000,000
Each Occurrence.....	\$500,000

Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, brownfield restoration and cleanup costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The Public Agencies and their Agents shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

- (i) The retroactive date must be shown on the policy and must be before the date of this Permit or the beginning of the work or services that are the subject of this Permit;
- (ii) Insurance must be maintained, and evidence of insurance must be provided for the duration of this Permit or for five (5) years after completion of the work or services that are the subject of this Permit, whichever is greater;
- (iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Permit, then the contractor must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Permit;
- (iv) A copy of the claims reporting requirements must be submitted to LACDA for review; and
- (v) If the work or services that are the subject of this Permit involve lead based paint or asbestos identification/remediation, then the pollution liability shall not contain any lead-based paint or asbestos exclusions.

**RIGHT OF ENTRY AGREEMENT FOR ACCESS AND USE OF DISTRICT REAL
PROPERTY FOR DUE DILIGENCE RELATED ACTIVITIES BETWEEN COMPTON
UNIFIED SCHOOL DISTRICT AND CDU/MLK WELLNESS COLLABORATIVE, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY**

THIS RIGHT OF ENTRY AGREEMENT FOR ACCESS AND USE OF DISTRICT REAL PROPERTY FOR DUE DILIGENCE RELATED ACTIVITIES (“Agreement”) is made and entered into as of _____, 2021 (“Effective Date”) by and between Compton Unified School District, a California public school district located in the County of Los Angeles, California (“District”), and CDU/MLK WELLNESS COLLABORATIVE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (“CMWC”). District and CMWC may be individually referred to herein as “Party” or collectively referred to herein as “Parties.”

RECITALS

WHEREAS, District is owner, in fee, of District real property located at 1667 E. 118th Street, in the unincorporated Willowbrook neighborhood of the County of Los Angeles, California (the “District Property”), which is depicted in **Exhibit “A”**, attached hereto and incorporated herewith; and,

WHEREAS, District, Los Angeles County Development Authority (“LACDA”) and CMWC are parties to that certain Exclusive Negotiating Agreement (“ENA”), dated effective _____, 2021 which sets forth the terms and conditions for District, LACDA, and CMWC to negotiate a ground lease and associated documents so CMWC can develop a proposed project (“Proposed Project”) located, in part, on the District Property; and,

WHEREAS, in order to conduct certain due diligence activities related to the Proposed Project, as more particularly described in Exhibit “B”, attached hereto and incorporated herewith (collectively, the “Permitted Activities”), CMWC requires access and entry onto the District Property; and,

WHEREAS, District wishes to grant CMWC, its agents, employees, representatives, or consultants, including its contractors and subcontractors (collectively, the “Representatives”) the right of entry onto the District Property to conduct the Permitted Activities, subject to the terms and conditions set forth below.

NOW, THEREFORE, District and CMWC hereby agree as follows:

AGREEMENT

1. RESPONSIBILITIES AND OBLIGATIONS.

- 1.1. Right of Entry.** To facilitate the Permitted Activities, District hereby provides CMWC and its Representatives the right to access to and use of the District Property, subject to each of the following provisions:

1.1.1. Reasonable precautions will be exercised to avoid damage to the District Property. All reasonable care and effort will be taken to protect the safety and welfare of all District staff, employees, visitors, and anyone else present on the District Property.

1.1.2. District assumes no liability for loss or damage to District Property or injuries to or deaths of CMWC's Representatives by reason of the exercise of privileges given in this Agreement.

1.1.3. Claims and Indemnification.

1.1.3.1. Indemnification of District. District shall not be liable for any loss, damage or injury of any kind or character to any person or the District Property arising from the Permitted Activities or any other act or omission by CMWC or its Representatives pursuant to this Agreement, including but not limited to any accident on the District Property or any fire or other casualty thereon, in each case except to the extent caused by or arising from the sole negligence or willful misconduct of an Indemnitee (as hereinafter defined). CMWC agrees to indemnify, protect, defend, and hold District and District's staff, employees, board, agents, partners, officers, lessees, and invitees on the District Property (collectively, "Indemnitees") entirely free and harmless from any loss, liability, damages, claims, demands, suits, judgments, expenses, and costs, including but not limited to reasonable attorneys' fees (collectively, "Claims"), arising from or related to the Permitted Activities, including but not limited to: any acts or omissions of CMWC or its Representatives in conducting the Permitted Activities at the District Property; any person's entry to the District Property pursuant to this Agreement; and any damage or injury caused by CMWC or its Representative's contact with any hazardous, toxic, or contaminated materials existing at the District Property; in each case except to the extent a Claim is caused by or arises from the sole negligence or willful misconduct of an Indemnitee; and provided further that the discovery by CMWC or its Representatives of any hazardous, toxic or contaminated materials or conditions existing at the District Property, without exacerbation of such materials or conditions by CMWC or its Representatives, shall not constitute a damage or injury for which CMWC has any indemnification obligation or other liability. CMWC agrees also to either reimburse District for any damage or destruction to the District Property occurring by reason of the conduct of the Permitted Activities, or to replace or restore said District Property to its preexisting condition, except to the extent that such damage or destruction is caused by the sole negligence or willful misconduct of the District or any other Indemnitee.

1.1.3.2. No Responsibility for Loss or Theft. The District shall not be responsible for the loss or theft of anything stored, maintained, placed or left by CMWC or Representative(s) on or about the District Property.

1.1.3.3. No Liens. CMWC shall not permit any mechanic's, materialman's, contractor's, or subcontractor's lien arising from or any third party claim for damage or injury caused by CMWC's or its Representative's entry to the District Property or performance of the Permitted Activities ("Lien") to be enforced against the District Property; and CMWC agrees to indemnify, protect, defend, and hold District and the District Property free and harmless from all liability for the enforcement of any such Lien, together with reasonable attorneys' fees and all reasonable, actual, out-of-pocket, third-party costs and expenses in connection therewith.

1.1.3.4. Posting of Notice. The District reserves the right at any time and from time to time to post and maintain on the District Property such notices as may be necessary to protect the District against liability for any Lien.

1.2. Term. CMWC's right to enter the District Property pursuant to this Agreement shall commence on the Effective Date and shall end on the date that is eighteen (18) months after the Effective Date or completion of the Permitted Activities, whichever is sooner. The Term may be extended only by a written agreement between the Parties.

2. PERFORMANCE OF PERMITTED ACTIVITIES.

2.1. Compliance with All Laws. At its sole expense, CMWC shall comply with all requirements of all governmental authorities, in force either now or in the future, affecting the District Property, and shall faithfully observe in CMWC's use of the District's District Property all laws, regulations and ordinances of these authorities applicable to such use, in force either now or in the future including, without limitation, all applicable federal, state and local laws, regulations, and ordinances including the Labor Code, Education Code and Government Code, and pertaining to air and water quality, hazardous materials, waste disposal, air emission and other environmental matters (including CEQA and its implementing regulations in its use of the District Property), and all applicable District policies, rules, and regulations.

2.1.1. The final, non-appealable judgment of a court of competent jurisdiction, or CMWC's admission in an action or a proceeding against CMWC, whether District be a party to it or not, that CMWC has violated any law or regulation or ordinance in CMWC's use of the District Property shall be considered

conclusive evidence of that fact as between District and CMWC. If CMWC is so adjudged, or admits, to have failed to comply with any such law, regulation, or ordinance, District reserves the right to take necessary remedial measures at CMWC's expense, for which CMWC hereby agrees to reimburse District on demand.

- 2.2.** All Permitted Activities shall be performed by CMWC and its Representatives at its own expense and in a safe, good, and workmanlike manner. CMWC shall not commence any portion of the Permitted Activities until CMWC has submitted and District has approved the endorsement(s) of insurance required by the terms and conditions of this Agreement. Any open holes shall be covered at all times when CMWC or its Representative(s) are not physically working in the actual vicinity thereof.
- 2.3. Equipment and Labor.** CMWC shall furnish all tools, equipment, apparatus, facilities, transportation, labor, and material necessary to perform the Permitted Activities.
- 2.4. CMWC's Contractors.** CMWC agrees to bind every contractor performing any portion of the Permitted Activities by the terms of this Agreement as far as such terms are applicable to the contractor's work, including, without limitation, all indemnification, insurance and bond requirements. CMWC shall be fully responsible to District for acts and omissions of its contractor(s) performing the Permitted Activities and of persons either directly or indirectly employed by CMWC or its contractors in performing the Permitted Activities. Nothing contained in this Agreement, however, shall create any contractual relations between any CMWC contractor or subcontractor and District.
- 2.4.1. Skills and Licenses.** CMWC or its consultants and contractors shall have the necessary skills, experience, and license(s) to engage in the Permitted Activities, or will retain persons who are so licensed.
- 2.5. Permitted Activities Schedule.** The projected schedule for completion of the Permitted Activities will be attached hereto and incorporated herein as **Exhibit "C"** ("Work Schedule") as it is developed and finalized. The parties acknowledge that the Work Schedule will be a projection and is subject to change as provided herein. Should CMWC need to modify or update the Work Schedule, CMWC shall provide a copy of such proposed, modified Work Schedule (the "New Work Schedule") to District for District's review and approval. District shall not unreasonably withhold, condition or delay its approval of the New Work Schedule. Should District fail to approve the New Work Schedule as such is proposed by CMWC, District agrees to negotiate in good faith with CMWC to establish a mutually agreeable New Work Schedule. The Work Schedule (including the New Work Schedule, as applicable) shall coordinate performance of the Permitted Activities to ensure such is not delayed or disrupted.

- 2.5.1.** CMWC shall indicate in the Work Schedule (and in the New Work Schedule, if applicable) all then-known anticipated dates, times, and locations, as well as durations, for which persons performing the Permitted Activities, including but not limited to contractors, subcontractors, vendors, and deliveries, will be arriving at and departing from the District Property. CMWC shall also indicate in the Work Schedule all then-known anticipated dates, times, and locations, as well as durations, for which staging or set-up for and demobilizing of the Permitted Activities will be done.
- 2.5.2.** CMWC shall notify District in writing, if not already indicated in the Work Schedule, of any part or portion of the Permitted Activities which can reasonably be expected to disturb, impact, interfere with, hinder, delay, or otherwise affect, by way of noise, dust, or other means, the District's operation of school activities, District students, traffic at or nearby the District Property, or any other District activity or service. District reserves the right to refuse to allow CMWC to perform any such activity because of the effect it will have on any particular District activity or service and, if District exercises this right, District agrees to negotiate in good faith with CMWC to establish a mutually agreeable date and time at which CMWC can access the District Property to perform the activity so as to reduce the effect such will have on District.
- 2.5.3.** District will cause its Representatives, tenants and invitees present at the District Property (other than CMWC and CMWC's Representatives) to cooperate, and not interfere, with CMWC's conduct and performance of the Permitted Activities in accordance with this Agreement.
- 2.6. Clean Up.** In connection with CMWC's right to enter the District Property for performance of the Permitted Activities, CMWC shall ensure that the District Property and the immediate surrounding areas are maintained in a reasonably clean condition at all times when Permitted Activities are not being performed. Upon completion of the Permitted Activities, CMWC shall remove all debris caused by its activities on the District Property.
- 2.7. Protection of Project Work and District Property.** As reasonably necessary based on conditions and progress of the Permitted Activities and work to prevent against safety hazards or risks, CMWC shall erect and properly maintain at all times, all fencing, safeguards, signs, barriers, lights, and security persons for protection of persons, materials, and equipment that may be located on the District Property, and shall post signs warning against hazards created by the Permitted Activities. To the extent that materials and/or equipment are stored within the District Property overnight, CMWC shall employ additional nighttime security measures – including, but not limited to, fencing, safeguards, signs, barriers, and lights – to ensure the District Property equipment, and materials are properly secured. CMWC shall ensure that the

District Property is completely fenced to prevent District staff, employees, and visitors from entering or otherwise accessing the District Property. In the event of an emergency that threatens (i) injury to persons located on the District Property, or (ii) damage to the Permitted Activities area or District Property, then CMWC, without special instruction or authorization from District, is permitted to act at its discretion to prevent such threatened injury or damage. CMWC shall immediately advise the District Representative if such action has been necessary.

2.8. Notice of Entry to Perform the Permitted Activities. CMWC shall notify District at least twenty-four (24) hours prior to entry upon District Property by CMWC or its Representatives (a "Notice of Entry"). CMWC agrees to coordinate all due diligence activity with the District Representative so as to ensure that the Permitted Activities are not disrupted or delayed.

2.8.1. District has the right to reasonably not allow access if it will interfere with District activities, and District and CMWC shall negotiate in good faith to provide a mutually acceptable time and date for access.

2.8.2. Notice of Non-Responsibility. District shall have the right after receiving the Notice of Entry to post a notice of non-responsibility in accordance with applicable law.

2.9. District's Right to Enter. CMWC will permit District and its authorized representatives to enter the District Property and the Permitted Activities area at all times with twenty-four (24) hour notice except for emergencies; provided, however, that during any such entrance onto the overall Permitted Activities area and District Property, (a) District's and its authorized representative's personnel ("District's Personnel") shall wear the following items of personal protective equipment as directed by CMWC or its Representative: fire resistant clothing, hard hat, yellow or orange vest, safety glasses, protective footwear, ear plugs, and gloves; and (b) District's Personnel shall comply with the instructions and directions of CMWC and its Representatives during the entirety of such entry onto the District Property where Permitted Activities are in progress and reasonable precautions would be required for District Personnel.

2.9.1. District has the right to enter the Permitted Activities area to inspect and oversee any Permitted Activities contemplated by this Agreement.

2.9.2. In the event of any CMWC default that creates an imminent threat to life or District Property, District may enter the District Property and the improvements thereon without notice and may take such actions as may be required to relieve any threat. CMWC shall reimburse District for the cost of any repairs, replacements, or improvements to District's Property incurred by District under this Section 2.9.2, within fifteen (15) days of receipt of an invoice therefor. Nothing in this Section shall imply a duty on

the part of District to make any inspection, take any action, or do any work, nor shall District's performance of any repairs, alterations, or improvements constitute a waiver of CMWC's default.

2.9.3. Except to the extent arising out of the negligence or willful misconduct of District, or its board members, representatives, officers, consultants, employees, trustees, volunteers, and invitees, no exercise by District of any rights herein reserved shall entitle CMWC to any compensation, damages, reimbursement, or other relief for any interference with the Permitted Activities or any other injury, damage, loss, or liability as a consequence of such entry or repairs.

2.10. Drug-Free, Tobacco-Free, Smoke-Free Policy. No illegal drugs, marijuana, alcohol, tobacco and/or smoking are allowed at any time in any buildings and/or on any grounds of the District Property. No students, staff, visitors, consultants, or contractors are to use illegal drugs, marijuana, alcohol, or tobacco on these sites or to smoke anything on these sites. CMWC is responsible to make sure that no one from CMWC and none of its Representatives use illegal drugs, marijuana, alcohol, tobacco, or smoke on the District Property.

2.11. Insurance. CMWC shall secure and maintain, and shall cause any of Representatives to secure and maintain, in full force and effect during the continuance of CMWC's or such Representative's conduct of Permitted Activities on the District Property, commercial general liability insurance or participation in a self-insurance program, including coverage for owned and non-owned automobiles and other insurance necessary to protect the public, with limits of liability of not less than Two Million Dollars (\$2,000,000.00) combined single limit bodily injury, death, and property damage. CMWC shall secure and maintain, in full force and effect during the term of this Agreement, workers' compensation and employer's liability insurance, at statutory minimums. Policies shall be issued by an insurance company or companies that are rated "A+" or higher by A.M. Best's key rating guide, and are approved to do business in the State of California. A certificate evidencing the insurance requirements of this section shall be provided prior to commencing any Permitted Activities on the District Property. Any and all commercial general liability insurance policies required by this Section 2.11 shall include, or be endorsed to include "Compton Unified School District" as an additional insured and state that any such policy is primary, excess, and non-contributing with any other insurance carried by District. CMWC may satisfy its insurance obligations by a self-insurance program.

2.11.1. Any and all commercial general liability insurance policies or certificates maintained pursuant to this Section 2.11 shall:

2.11.1.1. Provide that the naming of additional insureds shall not negate any right the additional insureds would have had as claimants under the

policy if not so named, and severability of interest and cross liability clauses.

2.11.1.2. Include an endorsement or provision that not less than thirty (30) days' written notice be given to the District prior to cancellation or reduction of coverage or amount of such policies.

2.11.2. CMWC shall secure and maintain, and shall cause any of Representatives to secure and maintain, in full force and effect during the continuance of CMWC's or such Representative's conduct of Permitted Activities on the District Property, the following:

2.11.2.1. Pollution liability insurance (in the event that CMWC or any of its employees, agents, or contractors intends to perform any sampling activities involving coring, remediation of hazardous substances, or any other activity that might be reasonably expected to include or release hazardous substances), claims made form, with limits of not less than two million dollars (\$2,000,000) for each incident and an annual aggregate of four million dollars (\$4,000,000) for all incidents. Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, brownfield restoration and cleanup costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable.

2.11.3. Subcontractors. CMWC shall cause its Representatives to require that any subcontractor retained by its Representatives to maintain at all times during the term of this Agreement commercial general liability insurance with limits of not less than one million dollars (\$1,000,000) combined single limit bodily injury, death and property damage per occurrence and Workers Compensation Insurance as required by law.

2.11.4. Insurance Notification. Prior to CMWC or a Representative's entry on the District Property pursuant to this Agreement, CMWC shall notify District of the identity of the company(s) with which CMWC or such Representative maintains commercial general liability insurance in conformance with this Section 2.11 herein.

2.12. Restoration of the District Property. Prior to the expiration of this Agreement, CMWC will remove any and all equipment or materials placed by CMWC or its Representatives on the District Property pursuant to this Agreement.

2.12.1. Upon completion of Permitted Activities, and in compliance with all applicable laws, CMWC shall repair any damage to the District Property caused by the Permitted Activities ("Damage"). All costs, fees and

expenses relating to restoration of the District Property as a result of the Permitted Activities shall be the sole responsibility of CMWC.

2.12.2. Following CMWC's receipt of any written notice of Damage from the District and, to the extent feasible, prior to the expiration of this Agreement, CMWC shall cause the Damaged portions of the District Property to be repaired to a condition substantially similar to or better than the condition of those portions of the District Property as of the Effective Date. In the event that CMWC fails to effect such repair (or, if the nature of the Damage or the time of its occurrence is such that it cannot be repaired within the required time frame, if CMWC does not commence such repair prior to the expiration of this Agreement and thereafter diligently pursue repair of the Damage to completion), District may perform, but it is not obligated to perform, such repair, and CMWC shall pay the District's actual, out-of-pocket, third-party costs and expenses for making such repairs.

2.13. Condition of the District Property.

2.13.1. As-Is. The District Property is provided to CMWC on an "AS IS" basis. CMWC accepts the District Property as-is, with any and all of its faults, whether observable or not. The District shall not be required to make or construct any alterations including structural changes, additions, or improvements to the District Property; District shall remove all materials, equipment and any other items located within the Permitted Activities area if needed, prior to the date on which CMWC commences the Permitted Activities, and such removal shall be at District's sole cost and expense.

2.13.2. Disclaimer of Warranties. CMWC acknowledges that neither the District nor the District's agents have made any representations or warranties as to the suitability of the District Property for CMWC's use. Any agreements, warranties, or representatives not expressly contained herein shall in no way bind either Party, and the Parties expressly waive all claims for damages by reason of any statement, representation, warranty, promise, or agreement, if any, not contained in this Agreement.

2.13.3. Further Disclaimer of District Warranties. The District makes no representation or warranty, express or implied, concerning the location of present or future facilities surrounding the District Property and/or on or surrounding the District Property.

2.14. Hazardous Materials.

2.14.1. CMWC shall not cause or permit any Hazardous Material to be generated, brought onto, used, stored, or disposed of in or about the District Property by CMWC or its Representatives, except in strict compliance with Hazardous Material Laws (as defined below). CMWC shall comply with all

Hazardous Materials Laws. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government, including without limitation, petroleum products, asbestos, PCBs, and any material or substance which is (i) defined as hazardous or extremely hazardous pursuant to Title 22 of the California Code of Regulations, Division 4.5, Chapter 11, Article 4, section 66261.30 et seq., (ii) defined as a "hazardous waste" pursuant to section (14) of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et. seq. (42 U.S.C. § 6903), or (iii) defined as a "hazardous substance" pursuant to section 10 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9601 et. seq. (42 U.S.C. § 9601). As used herein, the term "Hazardous Material Laws" shall mean any statute, law, ordinance, or regulation of any governmental body or agency having jurisdiction over the District Property (including the U.S. Environmental Protection Agency, the California Regional Water Quality Control Board, and the California Department of Health Services) which regulates the use, storage, release or disposal of any Hazardous Material.

2.14.2. If CMWC knows, or has reasonable cause to believe, that a Hazardous Material has come to be located in, on, under or about the District Property during the Term of this Agreement, other than as previously consented to by District, CMWC shall immediately give written notice of such fact to District, and provide District with a copy of any report, notice, claim, or other documentation which CMWC has concerning the presence of such Hazardous Material.

3. MISCELLANEOUS.

3.1. Termination. If any Party fails to properly fulfill its obligations under this Agreement, or if any Party violates any provision of this Agreement, the non-breaching Party shall notify the other Party in writing of the specific violations of the Agreement. The breaching Party shall have fifteen (15) days from receipt of such a notice in which to cure any such violation, subject to Section 3.1.1 below.

3.1.1. If the violation cannot reasonably be cured within a fifteen (15) day period, and the breaching Party has diligently pursued such remedy as shall be reasonably necessary to cure the violation, then the period of cure shall be extended for such as is reasonably necessary for the cure of such violation so long as the breaching Party continues to diligently pursue such cure to completion.

3.1.2. If the breaching Party has not cured any such violation within the time provided for under this Section 3.1, or as otherwise agreed upon by the

Parties, then the non-breaching Party, at its sole option, shall have the right to terminate this Agreement or to exercise any other remedies available at law or in equity.

- 3.2. Time of Essence.** Time is of the essence for each provision of this Agreement in which time is an element.
- 3.3. Amendment.** No addition to or modification of the terms of this Agreement shall be valid unless made in a written amendment to this Agreement, which is formally approved and signed by each of the Parties to this Agreement.
- 3.4. Assignment.** Neither Party may assign this Agreement in whole or in part, whether by operation of law or otherwise, to any other entity, agency, or person without the prior written consent of the other Party. Even if that consent is given, any assignment made in contravention of any law will be void and of no effect.
- 3.5. Waiver.** The waiver by any Party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
- 3.6. Notice.** Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and personally delivered or either deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or via email transmission, addressed as follows:

DISTRICT:

Compton Unified School District
Attn: Darin Brawley, Ed.D
501 S. Santa Fe Ave
Compton, CA 90220
Email: Dbrawley@comptonk12.ca.us

CMWC:

CDU/MLK Wellness Collaborative,
LLC
c/o Charles R. Drew University of
Medicine and Science
1731 E. 120th Street
Los Angeles, CA 90059
ATTN: Carl A. McLaney
Email: carlmclaney@cdrewu.edu

With a copy to:

Sarine A. Abrahamian
Orbach Huff Suarez & Henderson LLP
1901 Avenue of the Stars, Suite 575
Los Angeles, CA 90067
Email: sabrahamian@ohshlaw.com

With a copy to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071-1560
Attention: Kim N. A. Boras
Email: kim.boras@lw.com

Any such notice shall be effective upon confirmed receipt (or refusal of receipt), if delivered on a business day during business hours; otherwise it shall be effective on the next succeeding business day.

- 3.7. Applicable Law.** The Parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The Parties hereto expressly agree that this Agreement shall in all respects be exclusively governed by the laws of the State of California without regard to its conflict of law provisions. Venue for any action arising from this agreement shall be in Los Angeles County, California.
- 3.8. Severability.** Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the Parties have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.
- 3.9. Captions, Number, and Gender.** The captions appearing at the commencement of the paragraphs, subparagraphs, and sections hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the article, paragraph, or subparagraph at the head of which it appears, then the article, paragraph, or subparagraph and not the caption shall control and govern the construction of this Agreement. In this Agreement, the masculine, feminine, or neuter gender and the singular or plural number shall each be deemed to include the others whenever the context so requires.
- 3.10. Electronic Signatures.** Electronic signatures shall be treated as original signatures; however, in no instance shall electronic signatures be accepted on any document to be recorded. Such documents must bear original signatures.
- 3.11. No Third-Party Beneficiaries.** This Agreement is intended solely for the benefit of the Parties hereto, and no third party shall be deemed to be a beneficiary or to have any rights hereunder against any of the Parties hereto, including any real estate brokers.
- 3.12. Mutual Drafting.** This Agreement shall be construed as if drafted mutually by the Parties through their respective counsel and therefore shall not be construed against either Party.
- 3.13. Force Majeure.** In addition to specific provisions of this Agreement, performance by a Party shall not be deemed to be in default, and all performance or other dates specified in this Agreement shall be extended, where the Party seeking the extension has acted diligently and delays or

defaults are due to events beyond the reasonable control of the Party, such as but not limited to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; limitation of supplies; epidemics; quarantine restrictions; freight embargoes; lack of transportation; litigation; unusually severe weather; acts or omissions of another party; or any other causes beyond the control of or without the fault of the Party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, 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 ten (10) days of the commencement of the cause.

- 3.14. Binding Effect.** This Agreement inures to the benefit of and shall be binding upon District and the successors in interest of the District, and CMWC and the successors and assigns of CMWC. As used in the foregoing sentence, "successors" shall refer both to the Parties' interests in the District Property and to the successors to all or substantially all of their assets and to their successors by merger or consolidation.
- 3.15. Entire Agreement.** Except as specifically amended by the provisions hereof, the terms and provisions stated in the Agreement shall continue to govern the rights and obligations of District and CMWC with respect to the matters that are the subject of the Agreement; and all provisions and covenants of the Agreement are and shall remain in full force and effect as stated therein, except to the extent specifically amended. The Agreement shall be construed as one instrument. In that regard, the Agreement and all exhibits and addenda to each such document, constitute the entire agreement between the Parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements and understandings of District and CMWC in connection therewith.
- 3.16. Multiple Counterparts.** To facilitate execution hereof, this Agreement may be executed in one or more counterparts as may be convenient or required, each of which shall be deemed to be an original, and all of which taken together shall constitute a single instrument. An executed copy of this Agreement delivered by facsimile or electronic mail transmittal shall have the effect of an original, executed instrument.
- 3.17. Authority.** The person(s) signing this Agreement on behalf of CMWC and District, respectively, hereby warrant and represent to the other Party hereto that he or she has the lawful and proper responsibility and authority to execute this Agreement as provided herein. CMWC and District hereby further represent and warrant to the other Party hereto that (a) such Party has full right and authority to execute this Agreement, and (b) this Agreement constitutes a valid and legally binding obligation of such Party, enforceable in accordance with its terms.

- 3.18. No Partnership.** District and CMWC shall not, by virtue of this Agreement, in any way or for any purpose, be deemed to have become a partner of each other in the conduct of their respective business or otherwise or a joint venture. In addition, by virtue of this Agreement, there shall not be deemed to have occurred a merger of any joint enterprise between the District and CMWC.
- 3.19. Cumulative Remedies.** All rights, options, and remedies of the Parties contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and the Parties shall have the right to pursue any one or all of such remedies or to seek damages or specific performance in the event of any breach of the terms hereof by either Party or to pursue any other remedy or relief which may be provided by law or equity, whether or not stated in this Agreement.
- 3.20. Attorney's Fees.** In the event any enforcement activities are instituted by either Party, whether or not any action is instituted, or if any action shall be instituted between the Parties in connection with this Agreement, the Party prevailing in such action shall be entitled to recover from the other Party its reasonable costs of action, including reasonable attorneys' fees.

[Remainder of Page Intentionally Left Blank; Signatures on Next Page]

IN WITNESS WHEREOF; this Agreement has been executed as of the date last written below.

Dated: April 21, 2021

Compton Unified School District

By: S. SA.

Print Name: Shannon Sotg, Ed. D.

Print Title: Chief Admin Officer

Dated: May 14,, 2021

CDU/MLK Wellness Collaborative LLC

By: [Signature]

Print Name: David M. Carlisle, MD, PhD

Print Title: Authorized Signatory

Exhibit "B"

Permitted Activities

Entry onto the District Property to conduct physical due diligence, such as surveys, geophysical assessments and environmental site assessments, and including, without limitation, the following: underground surveys, soil testing and boring activities.

Exhibit "C"
Work Schedule

**MEMORANDUM OF UNDERSTANDING BETWEEN
COMPTON UNIFIED SCHOOL DISTRICT
AND
THE COMMUNITY DEVELOPMENT
COMMISSION OF THE COUNTY OF LOS ANGELES**

This Memorandum of Understanding ("**MOU**") is entered into as of *February 11th*, 2019 ("**Effective Date**") by and between the Compton Unified School District ("**CUSD**") and the Community Development Commission of the County of Los Angeles ("**Commission**"). The Commission and CUSD are collectively referred to herein as "**Parties**" and individually as a "**Party**", and desire to enter into this MOU to understand and agree upon the terms for coordination and implementation of proposed development activities for a Commission-owned site located at 1655 East 117th Street, Los Angeles, CA 90059 ("**Commission Property**") and CUSD-owned sites located at 1667 East 118th Street, Los Angeles, CA 90059 and at the northeast corner of Compton Avenue and 118th Street in the unincorporated community of Willowbrook ("**CUSD Properties**").

RECITALS

- A) **WHEREAS**, the CUSD owns and operates real property including K-12 school sites in the City of Compton, the County of Los Angeles and surrounding communities within the CUSD boundaries; and
- B) **WHEREAS**, the mission of the CUSD is to empower leaders to lead, teachers to teach and students to learn by fostering an environment that encourages leaders and teachers to be visionary, innovative and accountable for the achievement of all students; and
- C) **WHEREAS**, in support of its mission, CUSD seeks to provide resources, educational opportunities and support to the students of CUSD and the community at large by generating long-term revenue for CUSD and supporting revitalization and beautification of the communities within the CUSD boundaries; and
- D) **WHEREAS**, CUSD has demonstrated a commitment to beautification and revitalization by way of investment in the construction and remodeling of school educational facilities, athletic fields and other projects that benefit students while providing beautiful neighborhood spaces within communities; and
- E) **WHEREAS**, in furtherance of these efforts, CUSD is exploring opportunities to develop its real property by partnering with other public agencies to create long-term revenue streams that will benefit both CUSD students and the community at large; and
- F) **WHEREAS**, any such opportunities identified by the Parties would be thoroughly assessed including through community outreach to ensure all efforts are considerate of community needs and input, maximize job creation opportunities for

community residents, to the extent possible, advance CUSD and community revitalization and beautification, and provide additional benefits to CUSD and the surrounding communities; and

- G) **WHEREAS**, both Parties wish to participate in a coordinated and efficient effort to bring a proposed development on CUSD Properties and Commission Property (CUSD Properties and Commission Property referred to jointly as "**Properties**") which will benefit the citizens of the surrounding communities and provide potential economic and workforce development opportunities; and
- H) **WHEREAS**, on June 27, 2018, the CUSD Board of Trustees authorized the Superintendent, or designee, to enter into this MOU with the Commission for coordination and implementation of proposed development activities on the Properties; and
- I) **WHEREAS**, on August 14, 2018, the Commission's Board of Commissioners authorized the Commission to enter into this MOU with CUSD for coordination and implementation of proposed development activities on the Properties; and
- J) **WHEREAS**, the Parties desire to enter into this MOU to define the terms of cooperation and to identify the respective roles and responsibilities of the Parties for the proposed development of the Properties.

NOW THEREFORE, in consideration of the mutual terms and conditions contained herein, CUSD and Commission hereby agree as follows:

AGREEMENT

1. GENERAL

- A. The Commission pursuant to Board of Commissioners action on August 14, 2018 executed this MOU for the Commission Property.
- B. At all times during the term of this MOU, Commission shall retain its full ownership interest in the Commission Property and CUSD shall retain its full ownership interest in the CUSD Properties.
- C. As more specifically set forth herein, CUSD and Commission will work to administer the proposed development of the Commission Property and the CUSD Properties, including but not limited to, soliciting, selecting and negotiating with a developer and coordinating with the selected developer and overseeing construction of the proposed development projects.

2. RESPONSIBILITIES

- A. Requests for Proposals ("**RFPs**") and Exclusive Negotiation Agreement ("**ENA**")

- i. Commission will administer and manage all feasibility assessment studies and tasks required to prepare both County and CUSD properties for proposed development opportunities.
- ii. At their sole expense, CDC and CUSD shall be responsible for obtaining the appropriate environmental clearance for their Property, as required by the California Environmental Quality Act (“**CEQA**”) and each Party shall ensure compliance with CEQA solely for its sole property.
- iii. Commission will administer and manage all tasks associated with issuing and processing the RFPs in compliance with CUSD and Commission policies and procedures.
- iv. CUSD will identify its policies and procedures that shall be considered in the drafting of the RFPs, solicitation, selection and implementation of the proposed development and shall work with the Commission to ensure they are met.
- v. Commission will identify its policies and procedures that shall be considered in drafting of the RFPs, solicitation, selection and implementation of the proposed development and shall work with CUSD to ensure they are met.
- vi. Commission, in consultation with and upon receiving written approval from CUSD, will hire third-party consultants, including design/architecture, and economists, as needed to assist with the preparation of feasibility studies/assessments, evaluation of proposals and negotiation of the ENAs.
- vii. CUSD and the Commission will work cooperatively and in good faith to process solicitations for the proposed development of the Properties, without limitation, timely meeting all deadlines, and responding to proposers by providing information and documentation regarding their respective properties.

B. Other Obligations of the Parties

- i. The Parties will remain responsible for the cost for any environmental remediation needed, if any, on their respective properties. CUSD will not assume any liability or obligation to remediate the Commission Property as part of this MOU. Commission will not assume any liability or obligation to remediate the CUSD Properties as part of this MOU.
- ii. The Parties will work together in identifying potential funding mechanisms that may be necessary to effectuate proposed developments including programmatic elements such as affordable

housing or public improvements and community amenities associated with the proposed developments.

3. COST SHARING

- A. For third-party consultants approved by CUSD in writing, CUSD shall reimburse Commission for actual, reasonable third-party costs incurred by Commission in the proposed development of the CUSD Properties for on terms and conditions mutually agreeable to both Parties. For planning purposes, an estimate of third-party costs expected to be incurred in connection with the development of the Commission Property and the CUSD Properties is attached as Attachment C, however this is an estimate only and is not intended to be a cap on CUSD's reimbursement obligation. The third-party costs may include design/architecture and economists incurred by the Commission in connection with the development of the Properties. CUSD and Commission will work cooperatively together in reviewing and monitoring the third parties' costs as the work progresses. Furthermore, notwithstanding anything to the contrary in this MOU, this Section 3 A shall survive the termination of this MOU.
- B. To the extent a development project moves forward, reimbursement to Commission of third-party costs will be structured to mutually benefit both Parties including but not limited to a preferred return to the Commission on lease payments generated by development of the CUSD Properties.
- C. If the Parties decide not to pursue a proposed development on the Properties, for third-party consultants approved by the CUSD in writing, CUSD shall pay fifty percent (50%) of the actual, reasonable third-party costs incurred by Commission in connection with the development of the Commission Property under this MOU within sixty (60) days from the date of such decision. Commission shall be responsible for paying the other fifty percent (50%) of actual, reasonable third-party costs incurred by Commission in connection with the development of Commission Property. Notwithstanding anything to the contrary in this MOU, this Section 3 C shall survive the termination of this MOU.

4. AUDIT AND INSPECTION OF RECORDS

- A. Commission shall make available to CUSD, Commission's records which provide supporting documentation for any amounts billed to CUSD under this MOU, which records may include but are not limited to, accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files (including documentation covering negotiated settlements), invoices, and any other supporting evidence relied upon to substantiate charges related to the proposed development of the CUSD Properties (all foregoing hereinafter referred to as "records").

- B. CUSD or any of its duly authorized representatives, upon written notice, shall be afforded reasonable access to all of the records of the Commission related to the proposed development activities on the CUSD Properties, and shall be allowed to interview any employees of the Commission throughout the term of this MOU. These records must be retained by Commission for three (3) years following the final payment of Commission expenses under this MOU.

5. TERM OF THE AGREEMENT

The term of this MOU shall commence on the date that this MOU is completely executed by both Parties and shall remain in full force and effect for a six-month term with the option to extend up to six (6) months at the discretion of the Executive Director, unless earlier terminated by the Commission or CUSD as provided in Section 10 of this MOU.

6. INDEMNIFICATION

Pursuant to the provisions of Section 895.4 of the California Government Code and other applicable laws, each of the Parties agree to indemnify and hold the other Party, its officials, officers, agents, employees and representatives harmless from any and all claims, demands, damages, costs, expenses, and liability for damage, actual or alleged, to person or property arising out of or resulting from the indemnifying party's acts or omissions in the performance of this MOU, including development, construction, operation or maintenance of the Properties. In the event of third-party loss caused by negligence, wrongful act or omission of both Parties, each Party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of California Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated. This Section 6 shall survive the expiration or termination of this MOU.

7. INCORPORATION OF ATTACHMENTS

The following Attachments are hereby incorporated into and made a part of this MOU wherever referred to as though set forth at length, except where certain portions of specific Attachments have been deleted or superseded by other sections of this MOU: Attachment A - Site Maps; Attachment B – Scope and Timing of Predevelopment Activities; and Attachment C - Reimbursable Third Party Cost Estimate.

8. AMENDMENT

This MOU may only be amended in writing upon mutual consent of both Parties

9. AUTHORIZED REPRESENTATIVES

The following individuals and their successors are designated by the Commission and CUSD as the authorized representatives of the two (2) Parties for implementation of this MOU, and all correspondence and notices relative hereto shall be considered delivered when received by these individuals at the following addresses:

For Commission: Monique King-Viehland, Executive Director
Community Development Commission
of the County of Los Angeles
700 W. Main Street
Alhambra, CA 91801

For CUSD: Darin Brawley, Superintendent
Compton Unified School District
501 S. Santa Fe Avenue
Compton, CA 90220

10. TERMINATION

Either Party may terminate this MOU, in whole or part, at any time by written notice to the other Party thirty (30) days in advance of the termination date. Unless stated otherwise in Section 3, the Party terminating this MOU shall be responsible for all third-party costs and expenses resulting from such termination, including developer claims. Further, the Commission shall be paid for third-party costs on work performed up to the time of termination if the Commission chooses to terminate this MOU.

11. OTHER TERMS AND CONDITIONS

- A. This MOU constitutes the full and complete understanding between the Parties. This MOU may be modified only through written amendments hereto approved and executed in the same manner as this original MOU. Each and every attachment to this MOU is incorporated by reference and made part of this MOU.
- B. This MOU shall be governed by California law and applicable federal law. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
- C. The terms of this MOU shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective successors and assigns.

[SIGNATURES FOLLOW ON NEXT PAGE]

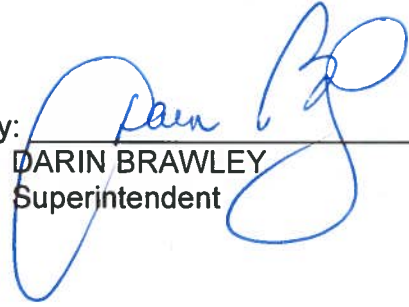
SIGNATURES

By signature below, the Parties have entered into, agreed to, and accepted the terms and conditions of this MOU:

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES:

By:  _____ Date: 2/11/19
MONIQUE KING-VIEHLAND
Executive Director

COMPTON UNIFIED SCHOOL DISTRICT:

By:  _____ Date: 1-25-2019
DARIN BRAWLEY
Superintendent

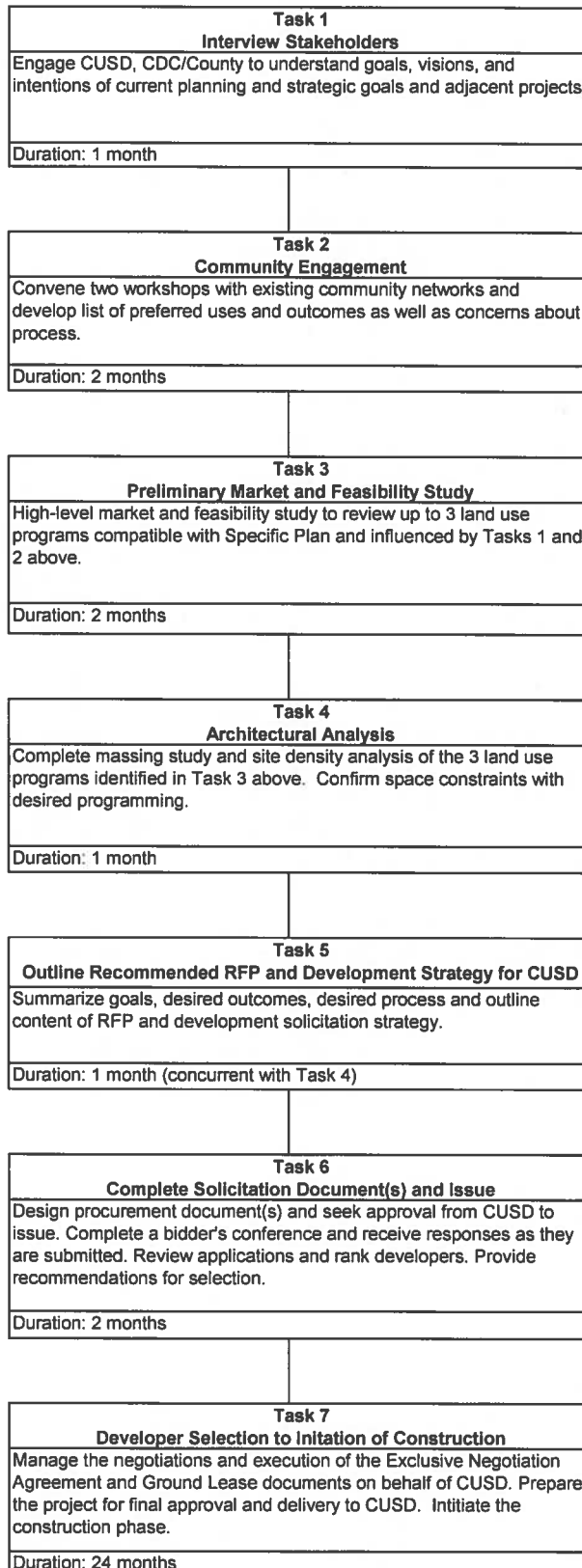
APPROVED AS TO FORM:
MARY C. WICKHAM

County Counsel

By:  _____
Senior Deputy



**COMPTON UNIFIED SCHOOL DISTRICT - COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES
SCOPE AND TIMING OF PREDEVELOPMENT ACTIVITIES**



Reimbursable Third Party Cost Estimate

ACTIVITY		ESTIMATED COST
1.	Local Stakeholder Interviews	\$10,000
2.	Limited Community Engagement	\$12,000
3.	Preliminary Market and Financial Feasibility Study	\$25,000
4.	Recommended Development Strategy With Back-up Materials Provided	\$8,000
5.	Development and Issuance of RFP	\$25,000
6.	Developer Selection	\$15,000
7.	Exclusive Negotiation Agreement Development and Execution	\$30,000
8.	Contingency	\$25,000
	Total	\$150,000