

MERGED INGLEWOOD REDEVELOPMENT PROJECT
INGLEWOOD, CALIFORNIA

DISPOSITION AND DEVELOPMENT AGREEMENT

by and among the

CITY OF INGLEWOOD,

City,

CITY OF INGLEWOOD AS SUCCESSOR AGENCY TO THE
INGLEWOOD REDEVELOPMENT AGENCY,

Successor Agency,

and

K.P. AUTO CENTER, L.P., a California Limited Partnership

Developer.

TABLE OF CONTENTS

Page

ATTACHMENTS

ATTACHMENT NO. 1	SITE MAP
ATTACHMENT NO. 1A	LEGAL DESCRIPTION
ATTACHMENT NO. 2	METHOD OF FINANCING
ATTACHMENT NO. 2A	PROJECT BUDGET
ATTACHMENT NO. 3	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 4	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 5	GRANT DEED
ATTACHMENT NO. 6	EMPLOYMENT AND TRAINING AGREEMENT
ATTACHMENT NO. 7	AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
ATTACHMENT NO. 8	RELEASE OF CONSTRUCTION COVENANTS

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into by and among the CITY OF INGLEWOOD, a municipal corporation (the “**City**”), the CITY OF INGLEWOOD AS SUCCESSOR AGENCY TO THE INGLEWOOD REDEVELOPMENT AGENCY, a public body, corporate and politic (the “**Successor Agency**”), and K.P. AUTO CENTER, L.P., a California Limited Partnership (the “**Developer**”) with respect to the following:

RECITALS,

WHEREAS, the City and the Developer have previously entered into that certain Exclusive Negotiating Agreement dated April 14, 2009 with respect to the proposed disposition and development of certain City-owned real property by the Developer (the “**ENA**”); and

WHEREAS, the City, pursuant to that certain Cooperation Agreement by and between the Inglewood Redevelopment Agency (the “**Former Agency**”) dated January 25, 2011, as amended by a First Amendment to Cooperation Agreement dated February 15, 2011 and a Second Amendment to Cooperation Agreement dated March 10, 2011 (collectively, the “**Cooperation Agreement**”), City acquired all real property previously owned by the Former Agency and agreed to undertake certain redevelopment activity on the behalf of the Former Agency; and

WHEREAS, on or about June 28, 2011, AB IX 26 (as amended from time to time, the “**Dissolution Law**”) became effective and was added to the laws of the State of California, providing for the dissolution and winding down of redevelopment agencies throughout the State, including the Former Agency.

WHEREAS, pursuant to the Dissolution Law, the California Department of Finance (the “**DOF**”), determined that both the Cooperation Agreement and that certain Disposition and Development Agreement entered into by and between the City and the Developer on January 31, 2012 (the “**Former DDA**”) entered into by the City and the Developer pursuant to the Cooperation Agreement, were invalid and therefore not legally recognized by the DOF as enforceable agreements.

WHEREAS, on February 1, 2012, pursuant to the Dissolution Law, the Former Agency was dissolved by operation of law, and upon dissolution, all assets, properties and contracts of the Former Agency, including the “**Agency Parcels**” (as more specifically described below in this Agreement) comprising the “**Site,**” were transferred by operation of law to the Successor Agency pursuant to the terms of California Health & Safety Code Section 34175(b).

WHEREAS, pursuant to the Dissolution Law, the City elected to serve in the capacity of and as the Successor Agency, a separate public entity from the City; pursuant to which, it, in such capacity, administers the dissolution and wind down of the affairs and all assets of the

Former Agency.

WHEREAS, pursuant to California Health & Safety Code Section 34191.5(b) of the Dissolution Act, the Successor Agency prepared and submitted to the California Department of Finance (the “DOF”) for approval a Long Range Property Management Plan (the “LRPMP”) that was previously approved by its Oversight Board that addressed and provided for the disposition and use of certain real properties previously owned by the Former Agency, including the Agency Parcels.

WHEREAS, in response to comments received by the Successor Agency from the DOF on the LRPMP, the Successor Agency prepared and submitted to the DOF for its approval a revised version of the LRPMP incorporating the DOF comments to its Oversight Board for approval and following such approval, to the DOF. Following its receipt of the revised LRPMP, the DOF issued its approval of the LRPMP as revised and the Successor Agency’s use and disposition of all properties listed therein, including the disposition of the Agency Parcels.

WHEREAS, this Agreement is intended to provide for the actual sale of the Agency Parcels by the Successor Agency to Developer in a manner consistent with the DOF-approved LRPMP.

WHEREAS, based upon the approved LRPMP, the Successor Agency, City and the Developer now wish to enter into this Agreement for the disposition of the Agency Parcels to the Developer for development, subject to and in accordance with all of the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the Successor Agency, City and the Developer agree as follows:

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Merged Imperial-Prairie Redevelopment Project Area by providing for the sale of the Agency Parcels to the Developer, and its redevelopment by the Developer in conjunction with the Participating Parcel on land area of approximately 186,872 square feet (or about 4.29 acres) of an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square feet and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto (the “Improvements”), all in accordance with City approved drawings and plans as set forth in this Agreement and more particularly reflected in the Schedule of Performance (Attachment No 3). The sale and redevelopment of the “Site” (as defined below) pursuant to this Agreement, and the fulfillment generally of this Agreement are in the vital and best interest of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

B. [§ 102] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Merged Inglewood Redevelopment Project Area (La Cienega Subarea), which was approved and adopted on February 26, 2002, by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 by the City Council of the City of Inglewood (the “Redevelopment Plan”). Said Ordinances and the Redevelopment Plan are incorporated herein by reference and made a part hereof as though set forth in full.

C. [§ 103] The Redevelopment Project Area

The Merged Inglewood Redevelopment Project Area (La Cienega Subarea) (the “Redevelopment Project Area”) is located in the City of Inglewood. The exact boundaries of the Redevelopment Project area are specifically and legally described in the Redevelopment Plan.

D. [§ 104] The Site

The “Site” is comprised of the Agency Parcels consisting of approximately 2.72 acres and the Participating Parcel consisting of approximately 1.57 acres. Both the Agency Parcels and the Participating Parcel are located within the City of Inglewood. The total size of the Site (i.e., the combined size of the Agency Parcels and the Participating Parcel) is approximately 4.29 acres. The Site is illustrated and designated on the “Site Map” which is incorporated herein and attached to this Agreement as Attachment No. 1. The Site is also more precisely described in the “Legal Description” which is incorporated herein and attached hereto as Attachment No. 1A. The Site is currently zoned as C-3 and M-1 and shall be developed by the Developer as an automobile mall, inclusive of certain ancillary auto parts and related retail uses, including, but not limited to, the construction of consisting of land area of approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square feet and the retrofitting of one (1) existing building of approximately 36,000 square feet with such paved and asphalted parking, as well as appropriate and necessary landscaping and parking pertinent thereto.

Pursuant to the terms of this Agreement, the Agency Parcels will be conveyed to the Developer by a single conveyance by the Successor Agency.

E. [§ 105] Parties to the Agreement

1. [§ 106] City and Successor Agency

The City is a municipal corporation exercising governmental functions and powers pursuant to Chapter 2 of the Community Redevelopment Law of the State of California.

The address of the City for purposes of this Agreement is: City Hall, One Manchester Boulevard, Ninth Floor, Inglewood, California 90301, Attention: City Manager.

“City” as used in this Agreement, includes the City of Inglewood acting pursuant to the Cooperation Agreement and any public body that is an assignee of or successor to its rights, powers and responsibilities.

The Successor Agency is a public body, corporate and politic, exercising governmental functions and powers pursuant to the Dissolution Law of the State of California.

The address of the Successor Agency for purposes of this Agreement is: City Hall, One Manchester Boulevard, Ninth Floor, Inglewood, California 90301, Attention: Executive Director.

“Successor Agency” as used in this Agreement, includes the City of Inglewood acting only in its capacity as the successor entity to the former Inglewood Redevelopment Agency pursuant to the Dissolution Law, and any public body that is an assignee of or successor to its rights, powers and responsibilities. However, notwithstanding the foregoing, any and all Successor Agency action pursuant to this Agreement shall only be performed and constitute redevelopment activity in accordance with the authorization and rights established pursuant to the Dissolution Law. Moreover, Developer acknowledges that any financial obligation established by this Agreement shall only be satisfied by those certain redevelopment funds provided to and held by the Successor Agency pursuant to the redevelopment activity authorized by the Dissolution Law and under no circumstances shall any such actions of the City taken pursuant to this Agreement constitute action of the City in its capacity other than as the Successor Agency nor constitute a City obligation for which its general fund and/or any other specific City revenue is pledged, committed or obligated.

2. [§ 107] Developer

The Developer is the K.P. Auto Center, L.P., a California limited partnership. The address of the Developer for purposes of this Agreement is 239 W. Manchester Boulevard, Suite 215, Inglewood, California 90301, Attention: Michael Koper, President.

Wherever the term “Developer” is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

F. [§ 108] Prohibition against Change in Ownership Management and Control of Developer

The Developer represents and agrees that its purchase of the Agency Parcels and its development undertakings pursuant to this Agreement are, and will be used, for the purpose of redevelopment of the Site and not for speculation in land holding. The Developer further recognizes that, in view of:

- (a) the importance of the redevelopment of the Site to the general welfare of the community;
- (b) the public aids that have been made available by law and by the government for the purpose of making such redevelopment possible; and

- (c) the fact that a change in ownership or control of the Developer or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or control of the Developer or the degree thereof, is for practical purposes a transfer or disposition of the property then owned by the Developer,

the qualifications and identity of the Developer, and its principals, are of particular concern to the community, City and Successor Agency. The Developer further recognizes that it is because of such qualifications and identity that the City and Successor Agency (sometimes and from time to time collectively, the “**Public Entities**”) are entering into the Agreement with the Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

Prior to the issuance of a Release of Construction Covenants, the Developer shall not sell, transfer or convey any portion of the Site, or assign all or any part of this Agreement to a third party (a “Transferee”) without the prior written approval of the City, which approval shall not be unreasonably withheld if, in the reasonable determination of the City, the proposed Transferee of any portion of the Site has the qualifications of a developer comparable in all material respects (including experience, character and financial capability) to the Developer. However, notwithstanding the foregoing, City consent shall not be required for any assignment of this Agreement primarily for estate tax purposes where the Developer is the majority/controlling/voting shareholder, general partner or managing member owning at least a fifty-one percent (51%) share or interest in the proposed Transferee. Moreover, the City hereby acknowledges and approves all existing leases on the Site as well as any potential leases presently under negotiation by the Developer and certain third-party operators with respect to the Site for which the City is aware as of the effective date of this Agreement.

In the event that, in violation of this Agreement, the Developer does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign any part of the Site or the buildings or structures thereon prior to the issuance of the Release of Construction Covenants, the City shall be entitled to an “Excess Purchase Price” payable by the Developer for the Agency Parcels in the amount that the consideration payable for such unauthorized sale, transfer, conveyance or assignment is attributable to the Agency Parcels and exceeds the amount of the Purchase Price paid by the Developer for the Agency Parcels to the Successor Agency plus the cost of the Improvements developed on the Agency Parcels, including applicable carrying charges and costs related thereto. To the extent the Developer is required to pay an Excess Purchase Price to the City and such Excess Purchase Price has not been paid to the City, the City shall have a lien on the Site for the entire amount of the Excess Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to develop the Site (or applicable portion thereof) as authorized herein.

Except for assignments duly executed and deemed approved by the City as provided above, the Developer covenants and agrees for itself, and any of its successors in interest, that prior to issuance by the City of a Release of Construction Covenants and without the prior

written approval of the City, there shall be no significant change in the ownership of the Developer, or in the relative proportions thereof, or with respect to the identity of the parties in control of the Developer, by any method or means.

The Developer shall promptly notify the City of any and all changes whatsoever in the identity of the parties in control of the Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the City if there is any significant change (voluntary or involuntary except as the result of death or incapacity) in membership, management or control of the Developer in violation of this Agreement prior to the issuance of a Release of Construction Covenants for the Site.

Except as otherwise provided in this Agreement, in the absence of a specific written agreement by the City, no such sale, transfer, conveyance or assignment of this Agreement or the Site (or any portion thereof), or approval by the City of any such sale, transfer, conveyance or assignment, shall be deemed to relieve the Developer from any obligations under this Agreement.

The restrictions of this Section 108 shall terminate upon issuance by the City of a Release of Construction Covenants for the entire Site or any portion thereof, as applicable.

G. [§ 109] City and Successor Agency Representations

The City represents, warrants and covenants to the Developer as follows:

(i) The City is a municipal corporation, duly organized and in existence in accordance with the laws of the State of California. Further, the City: (x) has complete and full authority to execute this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated herein, and (z) will take all such additional action necessary or appropriate to effect and facilitate the consummation of the sale and purchase transaction contemplated herein. Each of the persons executing this Agreement on behalf of the City further represents and warrants that the persons signing this Agreement on behalf of the City are duly qualified and appointed representatives of the City and have all requisite power and authority on behalf of the City to cause the City to enter into this Agreement as a valid, binding and enforceable obligation of the City.

The Successor Agency represents, warrants and covenants to the Developer as follows:

(i) The Successor Agency is a public body, corporate and politic, duly organized and in existence in accordance with the Dissolution Laws of the State of California and is authorized and qualified to own the Agency Parcels. Further, the Successor Agency: (x) has complete and full authority to execute this Agreement and to convey to the Developer good and marketable fee simple title to the Agency Parcels

subject to the terms and conditions of this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated herein, and (z) will take all such additional action necessary or appropriate to effect and facilitate the consummation of the sale and purchase transaction contemplated herein. Each of the persons executing this Agreement on behalf of the Successor Agency further represents and warrants that the persons signing this Agreement on behalf of the Successor Agency are duly qualified and appointed representatives of the Successor Agency and have all requisite power and authority on behalf of the Successor Agency to cause the Successor Agency to enter into this Agreement as a valid, binding and enforceable obligation of the Successor Agency.

(ii) To the best of the Successor Agency's knowledge: (x) all assessments that are liens against the Agency Parcels are shown in the official records of the taxing authorities in whose jurisdiction the Agency Parcels are located; (y) no improvements (site or area) have been constructed or installed by any public authority, the cost of which may be assessed in whole or in part against any part of the Agency Parcels in the future; and (z) with the exception of the Los Angeles Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Successor Agency has not been notified of any possible future improvements that might create an assessment against any part of the Agency Parcels.

(iii) With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Successor Agency has not received any notice of, and has no knowledge of, any pending or threatened litigation, taking or condemnation of the Agency Parcels or any portion thereof.

(iv) To the best of the City's knowledge, and with the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Agency Parcels is free of any right of possession or claim of right of possession of any party other than the Successor Agency, and there are no leases or occupancy agreements currently affecting any portion of the Agency Parcels that would interfere with the conveyance of the Agency Parcels to the Developer. Except as otherwise approved by the Developer, the Successor Agency will not sell, encumber, convey, assign, pledge, lease or contract to sell, convey, assign, pledge, encumber or lease all or any part of the Agency Parcels, nor restrict the use of all or any part of the Agency Parcels, nor take or cause or allow any action to be taken in conflict with this Agreement. The Successor Agency additionally hereby represents and warrants that no rights of first refusal or similar agreements exist in connection with the Agency Parcels that would in any way interfere with or compromise the Developer's ability to purchase and develop the Agency Parcels in conjunction with the Participating Parcel as provided in the Agreement.

(v) The Agency Parcels has legal access to and from all street fronts and adjoining rights-of-way.

(vi) With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, neither the entering into this Agreement nor the consummation of the sales and development transaction contemplated hereby will constitute or result in a violation or breach by the Successor Agency of any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority. With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, there is no action, suit, proceeding or investigation pending or threatened that creates a lien or that would become a cloud on the title to the Agency Parcels or any portion thereof or that questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any Federal, district, county, or municipal department, commission, board, bureau, city or other governmental instrumentality.

(vii) With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Successor Agency has no knowledge of, nor has the Successor Agency received any notice of, any actual or threatened action, litigation, or proceeding by any organization, person, individual or governmental agency (including governmental actions under condemnation authority or proceedings similar thereto) against the Agency Parcels or the Successor Agency nor has any such organization, person, individual or governmental agency communicated to the Successor Agency anything that the Successor Agency believes to be a threat of any such action, litigation or proceeding.

(viii) With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Successor Agency has received no notice of and has no knowledge of any violations of law, municipal or county ordinances, or other legal requirements with respect to the Agency Parcels or with respect to the use, occupancy or construction thereon.

(ix) No portion of the Agency Parcels is located within a one hundred (100) year flood plain.

(x) With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Successor Agency is not aware of any pending or threatened rezoning of all or any part of the Agency Parcels, except for any rezoning efforts being conducted or to be conducted in connection with permitting of the Agency Parcels in connection with the Participating Parcel for development as contemplated by this Agreement.

H. [§ 110] Developer Representations

The Developer represents, warrants and covenants to the Public Entities as follows:

(i) The Developer is a limited liability company, duly organized and in existence in accordance with the laws of the State of California and is authorized and qualified to own the Site. Further, the Developer (x) has complete and full authority to execute this Agreement and to accept conveyance from the City and develop the Agency Parcels in conjunction with the Participating Parcel subject to the terms and conditions of this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated herein, and (z) will take all such action necessary or appropriate to effect and facilitate the development of the Site as contemplated by this Agreement, subject to the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels. The individuals/entities executing this Agreement on behalf of the Developer further represent and warrant that he/they/it is (are) signing this Agreement on behalf of the Developer and is duly qualified and an appointed representative of the Developer and has all requisite power and authority on behalf of the Developer to cause the Developer to enter into this Agreement as a valid, binding and enforceable obligation of the Developer.

(ii) Subject to the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, neither the entering into of this Agreement nor the consummation of the transaction contemplated hereby will constitute or result in a violation or breach by the Developer of any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority. There is no action, suit, proceeding or investigation pending or threatened that creates a lien or that would become a cloud on the title to the Participating Parcel or any portion thereof or that questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any Federal, district, county, or municipal department, commission, board, bureau, agency or other governmental instrumentality.

(iii) With the exception of the Los Angeles County Regional Water Quality Control Board remediation investigation of the Agency Parcels, the Developer has no knowledge of, nor has the Developer received any notice of, any actual or threatened action, litigation, or proceeding by any organization, person, individual or governmental agency against it and/or the Participating Parcel that would preclude the Developer from acquiring the Agency Parcels and developing the Site pursuant to the terms and conditions of this Agreement.

(iv) To the best of the Developer's knowledge: (x) all assessments that are liens against the Participating Parcel are shown in the official records of the taxing authorities in whose jurisdiction the Site is located; (y) no improvements (site or area) have been constructed or installed by any public authority, the cost of which may be assessed in whole or in part against any part of the Participating Parcel in the future; and (z) the City has not been notified of any possible future improvements that might create an assessment against any part of the Participating Parcel.

(v) The Developer has not received any notice of, and has no knowledge of, any pending or threatened taking or condemnation of the Participating Parcel or any portion thereof.

(vi) To the best of the Developer's knowledge and except as previously presented by the Developer letter identifying same and approved by the City, the Participating Parcel is free of any right of possession or claim of right of possession of any party other than the Developer, and there are no leases or occupancy agreements currently in effect and/or affecting any portion of the Participating Parcel. Except as otherwise permitted by the City, the Developer will not sell, encumber, convey, assign, pledge, lease or contract to sell, convey, assign, pledge, encumber or lease all or any part of the Participating Parcel, nor restrict the use of all or any part of the Participating Parcel, nor take or cause or allow any action to be taken in conflict with this Agreement for a period of five (5) years following the issuance of the Release of Construction Covenants. The Developer additionally hereby represents and warrants that no rights of first refusal or similar agreements exist in connection with the Participating Parcel that would in any way interfere with or compromise the Developer's ability to develop the Participating Parcel in conjunction with the Agency Parcels as provided in the Agreement.

(vii) The Participating Parcel has legal access to and from all street fronts and adjoining rights-of-way.

(viii) The Developer has received no notice of and has no knowledge of any violations of law, municipal or county ordinances, or other legal requirements with respect to the Participating Parcel or with respect to the use, occupancy or construction thereon.

(ix) No portion of the Participating Parcel is located within a one hundred (100) year floodplain.

(x) The Developer is not aware of any pending or threatened rezoning of all or any part of the Participating, except for any rezoning efforts being conducted or to be conducted in connection with permitting of the Participating Parcel in connection with the Agency Parcels for development as contemplated by this Agreement.

II. [§ 200] DISPOSITION OF THE AGENCY PARCELS

A. [§ 201] Sale and Purchase

In accordance with and subject to all the terms, covenants, and conditions of this Agreement, the Successor Agency agrees to sell to Developer and Developer agrees to purchase the Agency Parcels as shown on the Site Map (Attachment No.1) and more precisely described in that certain Legal Description attached hereto and made a part hereof as Attachment No. 1A. The Developer shall pay to the Successor Agency as the total purchase price for the Agency

Parcels, the Developer's Purchase Price as well as the Excess Purchase Price and Additional Purchase Price (to the extent applicable and warranted) in the accordance with the amounts and terms set forth in the Method of Financing, attached hereto as Attachment No. 2 and fully incorporated herein by this reference (the "Purchase Price"). The sale of the Agency Parcels shall be subject to satisfaction of all conditions precedent, as set forth in this Agreement and the Method of Financing.

B. [§ 202] Escrow

The Successor Agency agrees to open an escrow for conveyance of the Agency Parcels in the County of Los Angeles with an escrow company or escrow agent acceptable to both the City and the Developer (the "Escrow Agent") as escrow agent, within the time provided in the Schedule of Performance attached hereto as Attachment No. 3 and incorporated herein by this reference. Sections 203-213 inclusive of this Agreement constitute the joint escrow instructions of the Successor Agency and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow. The Successor Agency and the Developer shall provide such additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its acceptance thereof in writing, delivered to the Successor Agency and to the Developer within five (5) days after opening of the escrow, the Escrow Agent shall carry out its duties as Escrow Agent hereunder.

The Agency Parcels shall be conveyed in a single conveyance for the construction and development of the improvements on the Site (i.e., the Agency Parcels and the Participating Parcel) provided for in this Agreement. Upon delivery of the Grant Deed for the Agency Parcels to the Escrow Agent by the Successor Agency pursuant to Section 205 of this Agreement, the Escrow Agent shall record such Grant Deed in accordance with these escrow instructions, provided that the title to the Agency Parcels can be vested in the Developer in accordance with the terms and provisions of this Agreement. The Escrow Agent shall buy, affix, and cancel any transfer stamps required by law. The Escrow Agent shall also disclose and provide the Developer with all pertinent documentary transfer tax information and costs prior to the close of escrow. Any insurance policies governing the Agency Parcels are not to be transferred.

The Developer shall pay into escrow to the Escrow Agent all fees, charges and costs necessary for the acquisition and conveyance of the Agency Parcels to Developer chargeable to Developer hereunder, promptly after the Escrow Agent has notified Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the conveyance of the Agency Parcels. Such fees, charges and costs shall include, without limitation:

- (1) One half of the escrow fee;
- (2) All premiums for title insurance required by Developer in excess of a CLTA title insurance policy;

- (3) One half of the costs necessary to place the title to the Agency Parcels in the condition for conveyance required by the provisions of this Agreement;
- (4) Notary fees;
- (5) Ad valorem taxes, if any, upon the Agency Parcels or upon this Agreement or any rights hereunder, attributable to the period following the conveyance of title or possession; and
- (6) Any State, County or City documentary stamps or transfer tax.

The Developer shall also deposit the Purchase Price and/or proof of payment of the Purchase Price (less any deposit amount) with the Escrow Agent at the same time in accordance with the provisions of Section 207 of this Agreement.

With the exception of one half of the escrow fee and the costs attributed to the CLTA title insurance policy, the Successor Agency shall not be required to pay any costs, fees or charges in connection with the acquisition and conveyance of the Agency Parcels. Unless otherwise specified in this Agreement, each party shall be responsible for the payment of its own legal fees.

The Successor Agency shall timely and properly execute, acknowledge and deliver the Grant Deed conveying to Developer title to the Agency Parcels in accordance with the requirements of Section 205 of this Agreement, together with an estoppel certificate certifying that Developer has completed all acts (except deposit of the Purchase Price and/or proof of payment of the Purchase Price) necessary to entitle Developer to such conveyance, if such be the fact. The Successor Agency shall also timely and properly execute any and all other documents including a FIRPTA Certificate and a Form 590 RE to the extent necessary for conveyance of the Agency Parcels to the Developer.

Upon the closing of Escrow, the Escrow Agent is authorized to:

- (1) Pay, and charge Developer for any fees, charges and costs payable under this Section 202. Before such payments are made, the Escrow Agent shall notify the Successor Agency and Developer of the fees, charges and costs necessary to clear title and close the escrow.
- (2) Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the Successor Agency and Developer. The Purchase Price shall not be disbursed by the Escrow Agent unless and until it has recorded the Grant Deed and has delivered to Developer a title insurance policy insuring title and conforming to the requirements of Section 208 of this Agreement.
- (3) Record any instruments delivered through this escrow if necessary or proper to vest title in Developer in accordance with the terms and provisions of the escrow instructions portion of this Agreement (Sections 200-212).

All funds received in the escrow shall be deposited by the Escrow Agent in a separate interest-earning escrow account with any state or national bank doing business in the State of California and reasonably approved by Developer and the Successor Agency. All interest earned on the funds shall be payable or credited to the Developer with all interest adjustments made on the basis of a thirty (30) day month. Any payment of interest to the Developer shall be made by check by the Escrow Agent. The Developer shall also be fully responsible for any and all costs required to establish and/or maintain the separate interest-earning account.

If this escrow is not in condition to close on or before the time for conveyance established in Section 207 of this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, demand the return of its money, papers, or documents from the Escrow Agent. No demand for return shall be recognized until ten (10) days after the Escrow Agent (or the party making such demand) shall have mailed copies of such demand to the other party or parties at the address of its principal place of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the ten- (10) day period, in which event the Escrow Agent is authorized to hold all money, papers, and documents with respect to the Agency Parcels until instructed by a mutual agreement of the parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible.

If objections are raised as above provided for, the Escrow Agent shall not be obligated to return any such money, papers, or documents except upon the written instructions of both the Successor Agency and Developer, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction. If no such objections are made within said 10-day period the Escrow Agent shall immediately return the demanded money, papers, or documents.

Any amendment to the escrow instructions shall be in writing and signed by both the Successor Agency and Developer. At the time of any amendment the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to the Successor Agency or Developer shall be directed to the addresses and in the manner established in Section 601 of this Agreement for notices, demands, and communications between the Successor Agency and Developer.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 202 to 212, inclusive, of this Agreement.

C. [§ 203] Conveyance of Title and Delivery of Possession

Subject to any mutually agreed upon extension of time, conveyance to the Developer of title to the Agency Parcels in accordance with the provisions of Section 209 of this Agreement shall be completed on or prior to the date specified in the Schedule of Performance (Attachment No. 3) or such later date mutually agreed to in writing by the Successor Agency and the Developer and communicated in writing to the Escrow Agent.

Except as otherwise provided herein, exclusive possession of the Agency Parcels shall be delivered to the Developer by the Successor Agency concurrently with the conveyance of title thereto. The Developer shall accept title and possession to the Agency Parcels on or before the date established therefor in this Section 207 and subject to the conditions of closing as set forth in this Agreement.

D. [§ 204] Form of Deed

The Successor Agency shall convey to the Developer title to the Agency Parcels in the condition provided in Section 204 of this Agreement by a “Grant Deed” substantially in the form attached to this Agreement as Attachment No. 5 and by this reference is fully incorporated herein. The Grant Deed to the Agency Parcels shall contain those covenants necessary or desirable to carry out the terms and conditions of this Agreement.

E. [§ 205] Condition of Title

The Successor Agency shall convey to the Developer fee simple merchantable title to the Agency Parcels free and clear of all liens, bonds, encumbrances, assessments, easements, leases and taxes; except those which are set forth in this Agreement and included in the Grant Deed, and those which are otherwise consistent with this Agreement and which are acceptable to the Developer; provided however that no covenants, conditions, restrictions or equitable servitudes shall prohibit or limit the development permitted by the Scope of Development (Attachment No. 4). Title to the Agency Parcels shall be subject to the exclusion therefrom of all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface, together with the right to drill into, through, and to use and occupy all parts of the Agency Parcels lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from the Agency Parcels, but without, however, any right to use or disturb either the surface of the Agency Parcels or any portion thereof within 500 feet of the surface for any purpose or purposes whatsoever.

All references to conveyance of title to the Agency Parcels in this Agreement shall also mean delivery of possession as referred to in this Section as the context may require.

However, notwithstanding anything in this Agreement to the contrary, the Developer hereby acknowledges that the Agency Parcels is subject to the performance of certain remediation activity and testing promulgated and conducted thereon by the Los Angeles County Regional Water Quality Control Board, and despite such remediation activity and testing, elects to close escrow and acquire fee title to the Agency Parcels.

F. [§ 206] Time and Place for Delivery of Deed

Subject to any mutually agreed upon extension of time, the Successor Agency shall deposit the Grant Deed for the Agency Parcels with the Escrow Agent on or before the date

established for the conveyance of the Agency Parcels in the Schedule of Performance (Attachment No. 3).

G. [§ 207] Payment of the Purchase Price and Recordation of the Deed

The Developer shall promptly deposit the Purchase Price and/or proof of payment of the Purchase Price for the Agency Parcels with the Escrow Agent upon or prior to the scheduled date for conveyance thereof, provided that the Escrow Agent shall have notified the Developer in writing that the Grant Deed conveying the Agency Parcels to the Developer, properly executed and acknowledged by the Successor Agency, has been delivered to the Escrow Agent and that title or possession is in condition to be conveyed in conformity with the provisions of Section 209 of this Agreement. The Escrow Agent shall deliver the Purchase Price to the Successor Agency immediately following the delivery to the Developer of a title insurance policy insuring title in conformity with Section 208 of this Agreement and the filing of the Grant Deed for recordation among the land records in the Office of the County Recorder for Los Angeles County.

H. [§ 208] Title Insurance

Concurrently with recordation of the Grant Deed, First American Title Insurance Company or another title insurance company satisfactory to the Public Entities and the Developer (“Title Co.”) shall provide and deliver to the Developer a 1970 Form B ALTA extended coverage owner’s title insurance policy issued by Title Co. insuring that the title is vested in the Developer in the condition required by Section 205 of this Agreement, and any special endorsements which the Developer reasonably requests. The Title Co. shall provide the insurance policy and the title insurance policy shall be in the amount of the Purchase Price of the Agency Parcels or in such greater amount as the Developer may specify as hereinafter provided.

Concurrently with the issuance of the title policy for the Agency Parcels, the Title Co. shall, if requested by the Developer, provide the Developer with an endorsement to insure the amount of the Developer’s estimated construction costs of the improvements to be constructed on the Site and any lender’s interest in the Site.

The Developer shall pay for all premiums attributable to any extended coverage or special endorsements which it requests above and beyond a CLTA title insurance policy.

I. [§ 209] Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Agency Parcels, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing prior to conveyance of title or possession of the Agency Parcels to the Developer, shall be borne by the Successor Agency. Ad valorem taxes and assessments, if any, on the Agency Parcels, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing after conveyance of title or possession of the Agency Parcels to the Developer, shall be borne by the Developer.

Ad valorem taxes and assessments, if any, on the Participating Parcel, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing both prior and subsequent to conveyance of title or possession of the Agency Parcels to the Developer, shall be borne by the Developer.

J. [§ 210] Occupants of the Agency Parcels

Successor Agency agrees that title to the Agency Parcels shall be conveyed free of any possession or right of possession except those title exceptions approved by the Developer and expressly provided in this Agreement.

K. [§ 211] Zoning of the Site

Prior to the conveyance of the Agency Parcels, the Developer shall take such actions as are necessary to procure the appropriate zoning and subdivision map of the Site, and obtain the requisite City land use regulations and designations so as to permit the development of the Site and construction of the improvements thereon and the use, operation and maintenance of the improvements in accordance with the provisions of this Agreement (the "Entitlements"). The City shall provide all proper and reasonable assistance to the Developer in connection therewith, and shall use its good faith and best efforts in cooperating with and facilitating Developer's efforts to obtain all of the necessary Entitlements and/or any other discretionary permits required for the development of the Site.

L. [§ 212] Condition of the Agency Parcels

The Agency Parcels, and each portion thereof, shall be conveyed in an "as is" condition, with no warranty, express or implied by the Public Entities as to the condition of the soil, water, or presence of "Hazardous Substances" (as defined herein) its geology, or the presence of known or unknown contaminants. In this regard, the Public Entities, at the written request of the Developer, shall make available to the Developer all documents within its possession pertinent to the condition of the Agency Parcels. Except as otherwise and specifically provided for in this Agreement, it shall be the sole responsibility of the Developer, at the Developer's expense, to investigate and determine the soil and water conditions of the Site (i.e., the Agency Parcels and Participating Parcel) and the suitability of the Site for the development to be constructed on the Site by the Developer.

Moreover, following the conveyance of the Agency Parcels, neither the City nor the Successor Agency shall be responsible for satisfying any remediation requirements of the Los Angeles County Regional Water Quality Control Board relating to the Agency Parcels or any portion of the Site (the "RWQCB Remediation"). All such costs for the RWQCB Remediation shall be the sole responsibility of the Developer following conveyance of the Agency Parcels.

The Developer shall defend, indemnify and hold the City and Successor Agency and their respective officers, members, employees, contractors, consultants, agents and successors harmless from any costs, claims, damages or liabilities pertaining to or arising from the RWQCB

Remediation requirements or performance of any tests and inspections of the Site, or any portion thereof with respect thereto; provided however, the Developer have no indemnification obligation arising from the gross negligence or willful misconduct of the Public Entities . Any damage or injury to any of the parcels comprising the Agency Parcels or any improvement thereon resulting from any such test or inspection shall be promptly repaired or restored by Developer at its sole cost and expense.

For purposes of this Agreement, “Hazardous Substances” means: (a) those substances included within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances,” or “solid waste” in CERCLA or RCRA; (b) those substances defined as “hazardous wastes” in ‘ 25117 of the California Health & Safety Code, or as “hazardous substances” in ‘ 25316 of the California Health & Safety Code, and in the regulations promulgated pursuant to said laws; (c) those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection City (or any successor agency) as hazardous substances (40 C.F.R. part 302 and amendments thereto); (d) any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321) or listed pursuant to Section 311 of the Clean Water Act (33 U.S.C. 1317), (v) flammable explosives, or (vi) radioactive materials; and (e) such other substances, materials and wastes which are or become classified as hazardous or toxic under any of the Environmental Laws or any other applicable local, state or federal law, or otherwise are or become regulated under any Environmental Law(s).

M. [§ 213] Relationship of Public Entities and Developer

Nothing contained in this Agreement or in any other document or instrument made in connection with this Agreement shall be deemed or construed to create a partnership, tenancy in common, joint tenancy, joint venture or co ownership by or between the Public Entities (individually or collectively) and the Developer.

O. [§ 214] Preliminary Work by the Developer

Prior to the conveyance of title to the Agency Parcels, representatives of the Developer shall have the right of access to and entry upon the Agency Parcels at all reasonable times, for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. The Developer agrees to defend, indemnify and hold the Public Entities, its respective officers, employees, contractors and agents, harmless for any and all claims, liability, loss, damage, costs, or expenses (including reasonable attorneys’ fees and court costs) arising out of any work or activity of the Developer, its officers, employees, contractors and agents, permitted pursuant to this Section 214, which indemnity shall not apply any negligence or willful misconduct by the Public Entities, its respective staff, agents or contractors. The Successor Agency agrees to provide, or cause to be provided, to the Developer all data and information pertaining to the Agency Parcels and in its possession within five (5) business days following receipt of written request from the Developer requesting such data and information.

P. [§ 215] Submission of Evidence of Financing

Within the times established respectively therefore in the Schedule of Performance (Attachment No. 3), the Developer shall submit to the City evidence reasonably satisfactory to the City that the Developer has obtained firm and binding commitments for financing necessary for the acquisition of the Agency Parcels and development of the Site in accordance with this Agreement.

The Developer's first submission of such evidence of financing shall include:

1. A project budget, current as of the close of escrow for the conveyance of the Agency Parcels, setting forth all development costs for the Site (the "Development Costs"), or a certification by the Developer that the Project Budget attached to this Agreement as Attachment No. 2A remains accurate;
2. A copy of the commitment or commitments obtained by the Developer for any mortgage loan or loans or other financing for construction financing to finance the entire cost of acquisition of the Agency Parcels and construction of the improvements on the Site or the applicable portion thereof in the event of a phasing of the construction of the improvements on the Site (as defined in the Scope of Development), certified by the Developer to be a true and correct copy or copies thereof. The commitment or commitments for financing shall be in such form and content acceptable to the City as reasonably evidences a commitment normally issued by an institutional lender.
3. Documentary evidence reasonably satisfactory to the City of sources of equity capital sufficient to demonstrate that the Developer has adequate funds committed to cover the difference, if any, between the Development Cost less financing authorized by mortgage loans for the development of the Site.
4. A schedule of all tenants obtained to date to occupy space within the Site, together with the amount of space, lease term, and minimum and performance rent and tenant improvement allowance applicable thereto, and copies of such tenant leases (to be provided to City Special Counsel for confidential review) if requested by the City, certified to be true and correct copies thereof.

The Developer's second submission of such evidence of financing shall include:

1. A copy of the contract between the Developer and the general contractor or contractors for the construction of the improvements on the Site or the applicable portion thereof in the event of a phasing of the construction of the improvements on the Site, certified by the Developer to be a true and correct copy thereof.
2. Copies of any construction loan documents, including but not limited to any loan agreement, note and trust deed, as well as equity commitment documents,

pertaining to the development of the Site in final form to be closed through the escrow provided for in Section 202, together with evidence that any such documents have been submitted to escrow and that there are no outstanding conditions, except as required by this Agreement to be satisfied concurrently with closing of any mortgage loan and/or other financing for the development of the Site, which would preclude closing and initial funding of such construction loan or loans and equity provided to and/or by the Developer.

The City shall approve or disapprove each such submission of evidence of financing within the times established in the Schedule of Performance. Such approval shall not be unreasonably withheld. If the City shall disapprove any such evidence of financing, the City shall do so by written notice to the Developer stating the reasons for such disapproval. The Developer shall promptly, but in any event prior to the dates respectively required for submission of evidence of financing in the Schedule of Performance, obtain and submit to the City new evidence of financing. The City shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 215 for the approval or disapproval of the evidence of financing as initially submitted to the City..

Q. [§ 216] CEQA Requirements

Certain environmental documents necessary for the development of the Site by the Developer have been prepared and certified by the City for the Merged Inglewood Redevelopment Project in compliance with the requirements of the California Environmental Quality Act of 1970, as amended from time to time (California Public Resources Code, Section 2100 et seq., hereinafter referred to as “CEQA”) and all applicable State regulations and local ordinances and regulations enacted pursuant thereto. Any further environmental clearance and/or documentation required for the development of the Site as contemplated by this Agreement shall be the sole responsibility of the Developer.

III. [§300] DEVELOPMENT OF THE SITE

A. [§301] Responsibilities for Development of the Site

The Developer shall be responsible for the development on the Site in accordance with the requirements of this Agreement.

B. [§ 302] Scope of Development

The Site shall be developed in accordance with and within the limitations established in the “Scope of Development” which is incorporated herein and attached to this Agreement as Attachment No. 4.

C. [§ 303] Basic Concept Drawings

The Developer shall prepare and submit Basic Concept Drawings and related documents for the development of the Site to the City for review and approval within the time established in

the Schedule of Performance. Basic Concept Drawings and related documents shall include a site plan, floor plans, elevations, cross section drawings illustrating the relationship of the buildings to any adjacent residential area, and a landscape plan of the Improvements as they are to be developed and constructed on the Site. These drawings shall, unless both parties agree otherwise, conform to the requirements of any applicable community plan, development standards established in the Scope of Development (Attachment No. 4) and the City Zoning Code.

The Site, and related off-site improvements, shall be developed as established in the Basic Concept Drawings and related documents except as changes may be mutually agreed upon between the Developer and the City. Any such changes shall be within the limitations of the Scope of Development.

D. [§ 304] Landscaping and Finish Grading Plans

The Developer shall prepare and submit to the City for its approval preliminary and final landscaping and preliminary and finish grading plans for the Site. The plans shall conform to the requirements of the City of Inglewood and the development standards established in the Scope of Development (Attachment No. 4) by the City and the City and the City Zoning Code. All plans shall be prepared and submitted within the times established in the Schedule of Performance.

The landscaping plans shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as the Developer's architect. Within the times established in the Schedule of Performance, the Developer shall submit to the City for approval the name and qualifications of its architect, landscape architect, and civil engineer, which approval shall not be unreasonably withheld.

The landscaping plans shall include a lighting program which highlights the design of the exterior components of the development including but not limited to building facades, architectural and landscaping detail and sculpture.

E. [§ 305] Construction Drawings and Related Documents for the Site

The Developer shall prepare and submit construction drawings and related documents (collectively called the "Drawings") for the development of the improvements on the Site as well as all applicable off-site public improvements to the City for review (including but not limited to architectural review), and written approval within the times established in the Schedule of Performance (Attachment No. 3). The Drawings shall be submitted in three (3) three stages: Schematic, Preliminary Drawings and Final Construction Drawings. Schematic all drawings shall include a refined site plan, elevations and sections of the improvements. Preliminary Drawings are hereby defined as design development drawings. Final Construction Drawings are hereby defined as those in sufficient detail to obtain a building permit.

Approval of progressively more detailed drawings and specifications will be promptly granted by the City if developed as a logical evolution of drawings or specifications theretofore

approved. Any items so submitted and approved by the City shall not be subject to subsequent disapproval.

During the preparation of all drawings and plans, the City and the Developer shall, at the request of the City, hold regular progress meetings to coordinate the preparation of, submission to, and review of the Drawings by the City. The City and the Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to the City can receive prompt and speedy consideration.

If any revisions or corrections of plans approved by the City shall be required by any government official, agency, department, or bureau having jurisdiction over the development of the Site, the Developer and the City shall cooperate in efforts to obtain a waiver of such requirements or to develop a mutually acceptable alternative.

F. [§ 306] City Approval of Plans, Drawings and Related Documents

Subject to the terms of this Agreement, the City shall have the right of architectural review of all plans and submissions, including any proposed changes therein. The City shall approve or disapprove the plans, drawings and related documents referred to in Section 303, 304 and 305 of this Agreement within the times established in the Schedule of Performance (Attachment No. 3). If approved, such approval shall constitute and indicate that such approved plans, drawings and related documents are in compliance with the Redevelopment Plan and all other City-adopted land use regulations applicable to the Site. Failure by the City to either approve or disapprove within the times established in the Schedule of Performance shall be deemed an approval hereunder. Any disapproval shall state in writing the reasons for disapproval and any changes which the City requests to be made. Such reasons and such changes must be consistent with the Scope of Development (Attachment No. 4) and any items previously approved or deemed approved hereunder. The Developer, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall promptly revise the plans, drawings and related documents, and resubmit the subject plans, drawings and related documents to the City as soon as reasonably possible after receipt of the notice of disapproval.

If the Developer desires to make any substantial change(s) to the Final Construction Drawings after approval, such proposed change(s) shall be promptly submitted to the City for approval. If the Final Construction Drawings, as modified by the proposed change, conform to the requirements of Section 305 of this Agreement and the Scope of Development, the proposed change(s) shall be approved and the Developer shall be notified in writing within thirty (30) days after submission. Such change in the construction plans shall, in any event, be deemed approved unless rejected in whole or in part, by written notice thereof setting forth in detail the reasons therefor, and such rejection shall be made within said thirty- (30) day period.

G. [§ 307] Cost of Construction

The cost of developing the Site, and constructing the Improvements thereon, shall be borne by the Developer, except as otherwise expressly and specifically provided herein.

has been issued with respect to the entire Site, the Developer shall furnish or cause to be furnished to the City, duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least \$3,000,000 combined single limit liability naming the Public Entities, and its respective officers, employees, contractors and agents as additional insureds.

J. [§ 310] Antidiscrimination during Construction

The Developer, for itself and its successors and assigns, agrees that in the construction of the Improvements on the Site as provided for by this Agreement, the Developer will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, creed, religion, national origin, or ancestry.

K. [§ 311] Local, State and Federal Laws

The Developer shall carry out the construction of the Improvements on the Site in conformity with all applicable laws, including all applicable federal and state labor standards. The Developer shall carry out development, construction (as defined by applicable law) and operation of the improvements on the Site, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including, without limitation, the requirement to pay state prevailing wages to the extent applicable). The Developer hereby expressly acknowledges and agrees that the Public Entities has ever previously affirmatively represented to the Developer or its contractor(s) for the construction or development of the improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by this Agreement is not a “public work,” as defined in Labor Code Section 1720. Developer hereby agrees that Developer shall have the obligation to provide any and all disclosures or identifications required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. The Developer shall indemnify, protect, defend and hold harmless the Public Entities and its respective officers, employees, contractors and agents, with counsel reasonably acceptable to the Public Entities, from and against any and all loss, liability, damage, claim, cost, expense and/or “increased costs” (including reasonable attorneys’ fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by the Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, the requirement to pay state prevailing wages); (2) the implementation of SB 966; (3) the implementation of Labor Code Section 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; and/or (4) failure by the Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. It is mutually agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the improvements, including, without limitation,

any and all public works (as defined by applicable law), the Developer shall bear all risks of payment and/or non-payment of state prevailing wages and/or the implementation of SB 966 and/or Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, and/or any other similar law. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement.

L. [§ 312] City and Other Governmental City Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, the Developer, with City assistance where necessary and appropriate, shall secure or cause to be secured, any and all permits which may be required by the City or any other governmental agency affected by such construction, development or work. The City shall use its good faith efforts to assist the Developer in securing these permits.

M. [§ 313] Rights of Access

Representatives of the City shall have a reasonable right of access to the Site, upon twenty-four (24) hours' prior written notice to the Developer, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Improvements. However, no such notice shall be required in the event of an emergency involving the Site or any portion thereof.

Representatives of the City shall be those who are so identified in writing by the City Manager of the City (or his/her designee). Such representatives shall also be responsible for providing any required written notice to the Developer. All activities performed on the Site by the representatives shall be done in compliance with all applicable laws and regulations regarding health and safety, including any written safety rules and regulations of the Developer.

N. [§ 314] Responsibilities of the Public Entities

The City shall only be responsible for performing any work specified in the Scope of Development (Attachment No. 4) requiring City performance. Developer fully acknowledges and agrees that under no circumstances and notwithstanding anything contained in this Agreement to the contrary, the Successor Agency shall have no responsibility for performing any of the work specified in the Scope of Development.

O. [§ 315] Taxes, Assessments, Encumbrances and Liens

The Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Agency Parcels, and all portions thereof, subsequent to the conveyance of the title or possession. However, the Developer shall be responsible at all times for the payment when due of all real estate taxes and assessments assessed and levied on or against the

Participating Parcel. The Developer shall not place, or allow to be placed on the Site or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement. The Developer shall remove, or shall have removed, any levy or attachment imposed on the Site or any portion thereof, except those created by work of the City, or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amount of any tax assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto. The covenants of the Developer set forth in this Section 315 relating to the placement of any unauthorized mortgage, trust deed, encumbrance, or lien, shall remain in effect only until a Release of Construction Covenants has been recorded with respect to the Site or the portion thereof upon which any unauthorized mortgage, trust deed, encumbrance or lien might be placed.

P. [§ 316] Prohibition Against Transfer Prior to Issuance of a Release of Construction Covenant

Prior to the issuance by the City of a Release of Construction Covenants pursuant to Section 324 of this Agreement, the Developer shall not, except as permitted by this Agreement, assign or attempt to assign this Agreement or any right herein with respect to the Site (or portion thereof), nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Site or the Improvements thereon, without prior written approval of the City. This prohibition shall not be deemed to prevent the granting of leases, easements or permits necessary to facilitate the development of the Site, nor shall it prohibit granting any security interests expressly described in this Agreement for financing the acquisition and development of the Site.

In the event that the Developer does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign any part of the Site or the buildings or structures thereon for any reason other than an involuntary condemnation action by a public entity against the Site, or any such buildings or structures thereon, prior to the recordation of the Release of Construction Covenants in violation of this Agreement, the City shall be entitled to increase the purchase price paid by the Developer for the Agency Parcels by the amount that the pro-rata consideration attributable and payable for such sale, transfer, conveyance or assignment of the Agency Parcels is in excess of the purchase price paid by the Developer for the Agency Parcels, plus the cost of any improvements and development, including carrying charges and costs related thereto. To the extent such consideration payable for such sale, transfer, conveyance or assignment is in excess of the original purchase price paid by the Developer for the Agency Parcels plus the cost of the Improvements and development, including carrying charges and costs related thereto, such excess shall belong and be paid to the City and until so paid, the City shall have a lien on the Site (or applicable portion thereof), as the case may be, for such amount. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized herein. At the time of any such sale, transfer, conveyance or assignment, the Developer shall submit to the City sufficient information reasonably required by the City to demonstrate that there is no such excess consideration received with respect to any such sale, transfer, conveyance or assignment or pursuant to the terms of this paragraph.

In the absence of a specific written agreement by the City, no such sale, transfer, conveyance or assignment of this Agreement or the Site (or any portion thereof), or approval by the City of any such sale, transfer, conveyance or assignment, shall be deemed to relieve the Developer or any other party from the obligations of this Agreement.

Q. [§ 317] Security Financing; Right of Holders

[Reserved]

R. [§ 318] No Encumbrances except Mortgages, Deeds of Trust, Conveyances and Leasebacks or Other Conveyance for Financing for Development

Notwithstanding Section 316 above, after conveyance of title and possession to any portion of the Agency Parcels to Developer, mortgages, deeds of trust, conveyances and leasebacks, or any other form of conveyance required for any reasonable method of financing are permitted with respect to the Site before the recordation of the Release of Construction Covenants (referred to in Section 324 of this Agreement), but only for the purpose of securing loans and funds to be used for financing the acquisition of the Agency Parcels, the construction of the Improvements on the Site, and any other expenditures necessary and appropriate to develop the Site pursuant to the terms of this Agreement. The Developer shall notify the City in advance of any mortgage, deed of trust, conveyance and leaseback, or other form of conveyance for financing if the Developer proposes to enter into the same before the recordation of the Release of Construction Covenants. The Developer shall not enter into any such conveyance for financing without the prior written approval of the City, which approval the City agrees to give if any such conveyance is provided by a responsible financial or lending institution or other acceptable person or entity. Such lender shall be deemed approved unless rejected in writing by the City within thirty (30) days after receipt of notice thereof by the City. Such lender approved by the City pursuant to this Section 318, shall not be bound by any amendment, implementation, or modification to this Agreement subsequent to its approval without such lender giving its prior written consent. City and Developer shall not modify or amend this Agreement without such lender's giving its prior written approval.

In any event, the Developer shall promptly notify the City of any mortgage, deed of trust, lease, conveyance and leaseback, or other financing, conveyance, encumbrance or lien that has been created or attached to the Site (or any portion thereof) prior to completion of the construction of the improvements thereon whether by voluntary act of the Developer or otherwise.

The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction, and land development.

S. [§ 319] Holder Not Obligated to Construct Improvements

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion; nor shall any covenants or any other provision in the grant deed for the Site be so construed as to so obligate such holder. Nothing in this Agreement shall be deemed or construed to permit, or authorize any such holder to devote the Site to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

T. [§ 320] Notice of Default to Mortgage. Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the Improvements, the City shall at the same time deliver to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of the City are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession, and such holder has elected to remedy or cure such default, such holder shall seek to obtain possession with diligence and continuity through foreclosure, deed in lieu of foreclosure or such other procedure as the holder may elect, and shall remedy or cure such default within ninety (90) days after obtaining possession; provided, however, that in the case of a default which cannot diligently be remedied or cured, or the remedy or cure of which cannot be commenced within such 90-day period, such holder shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity. Moreover, any such holder shall also not be required to remedy or cure any non-curable default of the Developer. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect the Improvements or construction already made) without first having expressly assumed the Developer's obligations to the City by written agreement reasonably satisfactory to the City. The holder in that event must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such holder related, and submit evidence reasonably satisfactory to the City that it has the qualifications and/or financial responsibility necessary to perform such obligations. Any such holder properly completing such Improvements shall be entitled, upon written request made to the City, to a Release of Construction Covenants from the City.

U. [§ 321] Failure of Holder to Complete Improvements

In any case where six (6) months after default by the Developer relative to the completion of construction of the Improvements on the Site (for which a Release of Construction Covenants has not yet been issued the City pursuant to this Agreement), the holder of any mortgage, deed of

trust or other security interest creating a lien or encumbrance upon the Site (or portion thereof) has not exercised the option to construct, or if it has exercised the option but has not proceeded diligently with construction (including diligent efforts to obtain possession if necessary), the City may purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest and other charges properly payable under the mortgage, deed of trust or other security interest; provided, however, that the holder shall have thirty (30) days after its receipt of notice from the City of its intent to effect this purchase, in which the holder may exercise the option to construct (if it has not previously done so), or may resume to proceed diligently with construction, as the case may be, and if the holder does so act, the notice from the City shall be deemed withdrawn; the foregoing right to delay purchase by the City may be exercised only once by the holder. If the ownership of the Site (or any portion thereof) has vested in the holder, the City, if it so desires, shall be entitled to a conveyance from the holder to the City upon payment to the holder of an amount equal to the sum of the following as they pertain to the Site (or portion thereof):

- (a) The unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).
- (b) All expenses with respect to foreclosure.
- (c) The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent ownership or management of the Site (or portion thereof), such as insurance premiums and real estate taxes.
- (d) The cost of any Improvements on the Site made by such holder.
- (e) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the City.

V. [§ 322] Right of City to Cure Mortgage, Deed of Trust, or Other Security Interest Default

In the event of a default or breach by the Developer of a mortgage, deed of trust or other security interest with respect to the Site (or portion thereof) prior to the issuance of a Release of Construction Covenants by the City, and the holder has not exercised its option to complete the development, the City may cure the default prior to completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the City in curing the default. The City shall also be entitled to a lien upon the Site (or portion thereof) to the extent of such costs and disbursements. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized herein.

Notwithstanding the preceding paragraph, Developer hereby acknowledges that the City shall be under no obligation pursuant to this section to cure any such default.

W. [§ 323] Right of the City to Satisfy Other Liens on the Property after Title Passes

Prior to the recordation of the Release of Construction Covenants (referred to in Section 324 of this Agreement), and the Developer, after a thirty (30) day period following its receipt of notice of the existence of any such liens or encumbrances, has failed to challenge, cure or satisfy any such liens or encumbrances on the Site (or the applicable portion thereof), the City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as the Developer in good faith contests the validity or amount thereof, and so long as such delay in payment shall not subject the Site (or the applicable portion thereof) to forfeiture or sale.

X. [§ 324] Release of Construction Covenants

Promptly after completion of all construction and development of the Improvements to be completed by the Developer upon the Site, the City shall furnish the Developer with a Release of Construction Covenants upon written request therefor by the Developer. The City shall not unreasonably withhold any such Release of Construction Covenants. Such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement upon the Site, in substantial compliance with the plans, drawings and related document referred in Sections 304 and 305, and of full compliance with the terms hereof with respect to the development of the Improvements upon the Site. Notwithstanding the foregoing, the City may also furnish the Developer with a Release of Construction Covenants for portions of the improvements that are properly completed and ready to use if the Developer is not in default of this Agreement. After the recordation of the Release of Construction Covenants with regard to any portion of the Site, any party then owning or thereafter purchasing, leasing, or otherwise acquiring any interest therein shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by any covenants contained in the deed, lease, mortgage, deed of trust, contract or other instrument of transfer which shall include the provisions of Sections 400 through 404 (inclusive) of this Agreement. Neither the City nor any other person, after the recordation of the Release of Construction Covenants, shall have any rights, remedies or controls that it would otherwise have or be entitled to exercise under this Agreement with respect to the Site (or any portion thereof) as a result of a default in or breach of any provision of this Agreement, and the respective rights and obligations of the parties with reference to the Site (or portion thereof) shall be limited thereafter to those set forth in the documents recorded pursuant to Sections 400 through 404 (inclusive) of this Agreement.

The Release of Construction Covenants shall be in the form of Attachment No. 8 attached hereto and fully incorporated herein by this reference to be recorded in the Office of the Recorder of Los Angeles County.

If the City refuses or fails to furnish a Release of Construction Covenants for the Site (or portion thereof) after written request from the Developer, the City shall, within ten (10) days of the written request, provide the Developer with a written statement which details the reasons the City refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the City's opinion of the action the Developer must take to obtain a Release of Construction Covenants. If the reasons for such refusal are confined to the immediate unavailability of specific items or materials for landscaping, the City will issue its Release of Construction Covenants upon the posting of a bond by the Developer with the City in an amount representing a fair value of the work not yet completed. If the City shall have failed to provide such written statement within said 10-day period, the Developer shall be deemed entitled to the Release of Construction Covenants.

Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the improvements, nor any part thereof. Such Release of Construction Covenants is not a Notice of Completion as referred to in Section 3093 of the California Civil Code.

Y. [§ 325] Project Identification Sign

Prior to commencement of any construction on the Site up until the issuance of a Release of Construction Covenants by the City as set forth in Section 324 above, the Developer shall prepare and install, at its cost and expense, a project identification sign at one location along the street frontage of the Site. The sign shall be at least eighteen (18) square feet in size and visible to passing pedestrian and vehicular traffic. The design of the sign as well as its proposed location shall be submitted to the City for review and approval prior to installation. The sign shall, at a minimum, include:

- Development name
- Developer
- The phrase:

A Project of the Inglewood Redevelopment City

Mayor: James T. Butts, Jr.

Councilmembers:	George Dodson	1 st District
	Alex Padilla	2 nd District
	Eloy Morales	3 rd District
	Ralph Franklin,	4 th District

- Completion Date _____.
- For information call

Developer shall obtain a current roster of Inglewood Redevelopment City before signs are printed.

IV. [§ 400] USE OF THE SITE

A. [§ 401] Uses

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that, subject to the limitations specified in Section 405, during construction and thereafter the Developer, its successors and assignees shall devote the Site to the uses specified in the Redevelopment Plan, the development standards established in the Scope of Development (Attachment No.4), the City Zoning Code and the Grant Deed.

B. [§ 402] Maintenance of the Site

During construction and all times thereafter, the Developer, and its successors and assigns, shall maintain the Improvements on the Site and shall keep the Site reasonably free from graffiti and any accumulation of debris or waste materials. During construction and all times thereafter, the Developer, and its successors and assigns, shall also maintain the landscaping required to be planted under the Scope of Development in a healthy condition.

If the Developer fails to maintain the Site as required, the Developer agrees that the City shall have the right, but not the obligation, after giving five (5) business days' written notice to the Developer, to perform or cause the performance of all necessary maintenance at the Developer's expense. In such event, the City also be entitled to all related administrative or other costs associated with said performance of maintenance. Until fully reimbursed by the Developer, the City shall have a lien upon the Site in the amount of all such maintenance and related costs as set forth above.

C. [§ 403] Obligation to Refrain from Discrimination

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site.

D. [§ 404] Form of Nondiscrimination and Nonsegregation Clauses

The Developer shall refrain from restricting the rental, sale or lease of the property on the basis of sex, marital status, race, color, creed, religion, ancestry or national origin of any person.

All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: “The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”
2. In leases: “The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased.”
3. In contracts: “There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land.”

E. [§ 405] Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Site, or any part thereof, for the benefit and in favor of the City and the Inglewood Redevelopment Agency and their respective successors and assigns. Such covenants as are to survive the recordation of the Release of Construction Covenants by the City shall be contained in the Grant Deed (Attachment No. 5) and shall remain in effect for the period specified therein. Covenants in

this Agreement not expressly set forth in the Grant Deed shall terminate upon the issuance of a Release of Construction Covenants therefor.

F. [§ 406] Rights of Access - Public Improvements and Facilities

The City for itself, and for the City and other public agencies, at their sole risk and expense, reserves the right to enter the Site or any part thereof at all reasonable times after twenty-four (24) hours' prior written notice to the Developer, and with as little interference as possible, for the purpose of constructing, reconstructing, maintaining, repairing or servicing any of the public improvements or public facilities located on the Site. Any such entry shall be subject to the 24-hour notice requirement unless there is an emergency for which immediate access to the Site is required of the City for any required construction, reconstruction, maintenance, repair or service of the public improvements or public facilities on the Site. The City shall indemnify and hold the Developer harmless from any claims or liabilities pertaining to such entry. Any damage or injury to the Site resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry. The Developer also agrees to give the same rights set forth above to the City and/or other public agencies provided the City and/or other public agencies agree to be bound by the conditions set forth in this Section. The rights set forth in this Section shall be applicable to any portion of the Site.

V [§ 500] DEFAULTS, REMEDIES AND TERMINATION

A. [§501] Defaults - General

Subject to the extensions of time set forth in Section 604 and the cure periods provided in Section 507 hereof, any material failure or delay by either party to perform any term or provision of this Agreement shall constitute a default under this Agreement. The party who fails or delays must promptly commence to cure, correct or remedy such failure or delay and continue to take all steps necessary to completely cure, correct or remedy such failure or delay with reasonable diligence.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies provided such actions or proceedings are initiated prior to the default being cured by the defaulting party.

B. [§ 502] Legal Actions

1. [§ 503] Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the Federal District Court in the Central District of California; provided, however, that if any such legal action cannot be instituted within said forums, such action must be instituted within the nearest available forum within the State of California.

2. [§ 504] Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

3. [§ 505] Acceptance of Service of Process

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

In the event that any legal action is commenced by the Developer against the Successor Agency, service of process on the Successor Agency shall be made by personal service upon the Executive Director, or in such manner as may be provided by law.

In the event that any legal action is commenced by the City and/or the Successor Agency against the Developer, service of process on the Developer shall be made by personal service upon any officer or managing member of the Developer and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

C. [§ 506] Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. [§ 507] Damages

If either party is in default with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within ten (10) days after receipt of a notice of default

in the event of a monetary obligation, or within thirty (30) days for any other type of default, then the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default. However, in the event that the default (other than a monetary obligation) is the type in which the defaulting party is incapable of curing within the thirty (30) day cure period, then if the defaulting party fails to commence the necessary actions to cure the default within the requisite thirty (30) days and fails to continuously and diligently cure the subject default within a reasonable period of time after commencement, then the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default.

E. [§ 508] Specific Performance

If the Public Entities is in default with regard to any of the provisions of this Agreement, the Developer shall serve written notice of such default upon the City and/or the Successor Agency, as applicable. If the default is not cured by the City and/or the Successor Agency, as applicable, within ten (10) days after receipt of the notice of default in the event of a monetary obligation, or within thirty (30) days for any other type of default, then the Developer may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement against the City and/or Successor Agency, as applicable, with respect to such default. However, in the event that the default (other than a monetary obligation) is the type in which the City and/or the Successor Agency, as applicable, is incapable of curing within thirty (30) days, then if the City and/or Successor Agency, fails to commence the necessary actions to cure the default within the thirty (30) day cure period and thereafter fails to cure the subject default in a continuous and diligent manner within a reasonable period of time after commencement, then the Developer may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement against the City with respect to such default.

F. [§ 509] Remedies and Rights of Termination

1. [§510] Termination by Developer

In the event that prior to the date established in the Schedule of Performance (Attachment No. 3) for the conveyance of title and possession of the Site to the Developer:

- a. the Developer is unable, despite commercially reasonable efforts, and within the time established respectively therefor in the Schedule of Performance to obtain approval from the City of any requisite Preliminary Subdivision Map, or Final Subdivision Map with respect to the Site, as referred to as “Subdivision Maps” in Section 703 of this Agreement; or
- b. the Developer is unable, despite commercially reasonable efforts, to obtain financing consistent with this Agreement, for the acquisition of the Agency Parcels and construction and development of the improvements on the Site in accordance with this Agreement and the Scope of

Development (Attachment No. 4) and deliver to the City any submission of evidence of financing referred to in Section 219 within the time established therefor in the Schedule of Performance; or

- c. the Developer is unable, despite commercially reasonable efforts, to obtain prior to the date established in this Agreement for conveyance of the Agency Parcels, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the City:
 - i) final discretionary permits and/or approvals required for the development of the Site by the City or any other governmental entity having applicable jurisdiction; or
 - ii) all utility permits including any applicable sewer and water permits; or
 - iii) building permits; or
- d. the Developer shall reasonably determine that the condition on the Agency Parcels is not suitable for development thereon pursuant to Section 212 of this Agreement prior to the conveyance date established therefor in the Schedule of Performance; or
- e. the Developer is unable, despite commercially reasonable efforts, to obtain and submit to the City any submission of evidence of financing commitments referred to in Section 219 of this Agreement with respect to the Site, within the time established respectively therefor in the Schedule of Performance; or
- f. the Successor Agency is unable, despite commercially reasonable efforts, to tender conveyance of title to Agency Parcels or possession thereof to the Developer in the manner and condition, and within the established time therefor in the Schedule of Performance and such failure is not be cured within thirty (30) days after the date of written demand by the Developer; or
- g. the City fails, despite commercially reasonable efforts, to timely perform any other material obligation of the development as required under this Agreement and such failure is not cured within thirty (30) days after the date of written demand by the Developer, then this Agreement may, at the option of the Developer, be terminated by giving written notice thereof to the City, and except to the extent provided in the Method of Financing (Attachment No. 2), neither the City nor the Developer nor any successor in interest shall have any further rights against or liability to the other

under this Agreement with respect to the Site, other than the disposition of the Good Faith Deposit which shall be disposed of in accordance with Section C of the Method of Financing (Attachment No. 2).

2. [§511] Termination by City

In the event that prior to the date established in the Schedule of Performance (Attachment No. 3) for the conveyance of title and possession of the Site to the Developer:

- a. the Developer shall fail to deliver to the City any submission of evidence of financing commitments referred to in Section 214 of this Agreement with respect to the Site within the times established therefor in the Schedule of Performance (Attachment No. 3); or
- b. the Developer (or any successor in interest), in violation of the provisions of this Agreement, assigns or attempts to assign the Agreement or any right herein, or in the Site (or portion thereof); or
- c. there is a substantial change in the ownership of the Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of Sections 107 and 108 hereof; or
- d. the Developer does not deliver any submission of plans, drawings, and related documents as required by this Agreement by the dates respectively provided in this Agreement without the advance written consent of the City; or
- e. the Developer does not pay the purchase price and take title and possession to the Agency Parcels by the date provided therefor in the Schedule of Performance (Attachment No. 3), under a tender of conveyance by the Successor Agency pursuant to this Agreement; or
- f. the Developer is unable, despite commercially reasonable efforts, to obtain prior to the date established in this Agreement for conveyance of the Agency Parcels, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the City:
 - i) final discretionary permits and/or approvals required for the development of the Site by the City or any other governmental entity having applicable jurisdiction;; or
 - ii) all utility permits including any applicable sewer and water permits; or
 - iii) building permits; or

- g. the Developer is unable, despite commercially reasonable efforts, and within the time established respectively therefor in the Schedule of Performance, to obtain approval from the City any Preliminary Subdivision Map or Final Subdivision Map required by the City, if any, with respect to the parcels comprising the Site, as referred to as Subdivision Maps in Section 703 of this Agreement; or
- h. the Developer fails to timely perform any other material obligation of the development of the Site as required under this Agreement, and any such default(s) or failure(s) referred to in subdivisions (a) through (h) of this Section shall not be cured within thirty (30) days after the date of written demand by the City,

then this Agreement and any rights of the Developer, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the City shall, at the option of the City, be terminated with respect to the Site by written notice thereof to the Developer, and except to the extent provided in the Method of Financing (Attachment No. 2) neither the City nor the Developer, nor any assignee or transferee of the Developer, shall have any further rights against or liability to the other under this Agreement with respect to the Site, other than the disposition of the Good Faith Deposit which shall be disposed of in accordance with Section C of the Method of Financing (Attachment No. 2).

G. [§512] Right of Re-Entry

The City shall have the right, at its sole option, to reenter and take possession of the Agency Parcels (or the applicable portion thereof) with all improvements thereon, and to terminate and revert in the City the estate theretofore conveyed to the Developer, if after conveyance of title or possession to the applicable portion of the Agency Parcels and prior to the recordation of the Release of Construction Covenants pertaining to the Site (or applicable portion thereof), the Developer (or its successors in interest) shall:

- (a) fail to commence construction of the Improvements as required by this Agreement for a period of thirty (30) days after title and/or possession of the Agency Parcels has been conveyed to the Developer, provided that the Developer has not obtained an extension or postponement of time pursuant to Section 604 hereof; or
- (b) abandon or substantially suspend construction of the Improvements for a period of three (3) consecutive months after written notice of such abandonment or suspension has been given by the City to the Developer; provided Developer has not obtained an extension or postponement of time pursuant to Section 604 hereof; or
- (c) assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this

Agreement, and such violation shall not be cured within thirty (30) days after the date of receipt of written notice thereof by the City to the Developer.

Such right to re-enter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

- (a) any mortgage, deed of trust, or other security interests permitted by this Agreement with respect to the Site (or applicable portion thereof); or
- (b) any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests.

The rights established in this Section 512 shall not apply to the Agency Parcels or any part thereof on which any improvements to be constructed thereon have been completed in accordance with the Agreement and for which a Release of Construction Covenants has been recorded therefor as provided in Section 324.

The Grant Deed to the Agency Parcels shall contain appropriate reference and provision to give effect to the City's right, as set forth in this Section 512 under specified circumstances prior to the recordation of the Release of Construction Covenants, to re-enter and take possession of the Agency Parcels (or any portion thereof), with all improvements thereon, and to terminate and revest in the City the estate conveyed to the Developer.

Subject to the rights of the holders of security interests as stated in subparagraphs (a) and (b) above, upon the revesting in the City of title to the Agency Parcels, or any part thereof, as provided in this Section 512, the City shall, pursuant to its responsibilities under state law, use its commercially reasonable efforts to resell the Agency Parcels, or part thereof, as soon and in such manner as the City shall find feasible and consistent with the objectives of the Community Redevelopment Law and the Redevelopment Plan to a qualified and responsible party or parties (as determined by the City in its sole discretion), who shall have no obligation to complete the Improvements, but shall develop the Agency Parcels, or applicable part thereof, in accordance with the uses specified in the Redevelopment Plan as determined by such parties.

Upon such resale of the Agency Parcels, or any part thereof, the proceeds thereof shall be applied:

- (a) first, to reimburse the City on its own behalf or on behalf of the City, all reasonable costs and expenses incurred by the City, including but not limited to fees of consultants engaged in connection with the recapture, management, and resale of the Agency Parcels, or applicable part thereof (but less any income derived by the City from the sale of the Agency Parcels, or applicable part thereof, in connection with such management); all taxes, assessments and water and sewer charges with respect to the Agency Parcels, or applicable part thereof (or, in the event the Site, or part thereof, is exempt from taxation or assessment or such charges during the period of City ownership, then such taxes, assessments,

or charges, as would have been payable if the Site, or applicable part thereof, was not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or part thereof on the Agency Parcels, or applicable part thereof; and any amounts otherwise owing to the City by the Developer and its successor or transferee; and

- (b) second, to reimburse the Developer, its successor or transferee, up to the amount equal to (1) the sum of the purchase price paid to the City by the Developer for the Agency Parcels (or allocable to the part thereof); and (2) the hard and soft costs reasonably incurred for the development of the Site attributable to the Agency Parcels, or applicable part thereof, or for the construction of the Improvements thereon attributable to the Agency Parcels, or applicable part thereof, less (3) any gain or income withdrawn or made by the Developer therefrom or from the improvements thereon attributable to the Agency Parcels, or applicable part thereof.

Any balance remaining after such reimbursements shall be retained by the City as its property.

To the extent that the right established in this Section 512 involves a forfeiture, it must be strictly interpreted against the City, the party for whose benefit it is created. The rights established in this Section 512 are to be interpreted in light of the fact that the City will convey the Site, to the Developer for development and not for speculation in undeveloped land.

VI. [§ 600] GENERAL PROVISIONS

A. [§ 601] Notices, Demands and Communications between the Parties

Formal notices, demands, and communications between the Public Entities and the Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested or by reputable overnight service that maintains delivery receipts (e.g., Federal Express) to the principal offices of the Public Entities and the Developer, as designated in Sections 106 and 107 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 601.

B. [§ 602] Conflicts of Interest

No member, official or employee of the Public Entities shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than as specified in Section 607.

C. [§ 603] Nonliability of Public Entities Officials and Employees

No member, official, employee or consultant of the Public Entities shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Public Entities (individually or collectively) or for any amount which may become due to the Developer or to its successor, or on any obligations under the terms of this Agreement.

D. [§ 604] Enforced Delay: Extension of Time of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplies, acts of the other party, acts or failure to act of the Public Entities (individually or collectively) or any other public or governmental agency or entity (other than an act or failure to act of the Public Entities (individually or collectively) which shall give rise to the delaying act described above) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within sixty (60) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Public Entities and the Developer.

Wherever this Agreement refers to performance by a specific time, or in accordance with the Schedule of Performance (Attachment No. 3), including without limitation in Sections 510 and 511 hereof, such times shall include any extensions pursuant to this Section 604.

E. [§ 605] Inspection of Books and Records

Prior to the issuance by the City of a Release of Construction for the development of the entire Site as contemplated by this Agreement, the City shall have the right at all reasonable times upon twenty-four (24) hour written notice to inspect the books and records of the Developer pertaining to the Site as pertinent to the purposes of this Agreement when needed by the City to: (1) establish the evidence of financing referred to in Section 214; (2) determine the costs, consideration and any excess consideration under Section 316; (3) determine the amount of payment provided for under Section 321; (4) to determine amounts necessary to cure under Section 322 and 323; and (5) determine the amounts due in connection with the right of re-entry referred to in Section 512.

F. [§ 606] Approvals

Except where this Agreement expressly provides for an approval of either party in its sole discretion, approvals required of the Public Entities (individually or collectively) or the Developer shall not be unreasonably withheld.

G. [§ 607] Real Estate Commissions

The Public Entities and the Developer each acknowledge and represents to the other that neither has employed the services of any brokerage firm, broker, agent, or finder in connection with this transaction and shall not be liable for any real estate commissions, brokerage fees or finders fees which may arise from the sale of the Site to Developer. In this regard, each party agrees to defend and hold the other party harmless from any claim by any broker, agent or finder retained by the any party hereto. In addition, each party represents to the other party that it has not incurred any liability for the payment of any real estate commission or brokerage or finder's fee in connection with this Agreement.

H. [§ 608] Attorneys' Fees

In the event that any litigation is commenced between the parties to this Agreement concerning any provision of this Agreement, including all attachments hereto, or the rights and obligations of any party, the parties to this Agreement hereby agree that the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted by the court, to a reasonable sum as and for its attorneys' fees in that litigation which shall be determined by the court in that litigation or in a separate action brought for that purpose.

VII. [§ 700] SPECIAL PROVISIONS

A. [§ 701] Employment and Training Agreement

The Developer and the City shall execute the Employment and Training Agreement which is incorporated herein and attached to this Agreement as Attachment No. 6, concurrently with the execution of this Agreement which shall provide for certain contracting and employment and training opportunities for qualified residents of the City of Inglewood.

B. [§ 702] Tenant/Buyer Review and Approval

Except as otherwise provided in this Agreement, all tenant/buyer space leased/purchased within any portion of the Improvements constructed on the Site by the Developer shall be subject to City approval. City approval shall not be unreasonably withheld, conditioned or delayed and shall be given or denied within five (5) business days following City receipt of written notification from the Developer identifying the proposed tenants/buyers.

C. [§ 703] Subdivision Maps

Within the times established respectively therefor in the Schedule of Performance (Attachment No. 3), the Developer, if required by the City, shall prepare and use diligent and good faith efforts to obtain approval from the City of any “Subdivision Maps” required for the development of the Agency Parcels and the Participating Parcel as the Site and cause the recordation of such Subdivision Maps as appropriate. Wherever used herein the term Subdivision Maps shall include the processing of all related documents and drawings as well as related public right-of-way vacations and dedications necessary and/or appropriate for the development of the Site.

The City shall cooperate with the Developer to obtain approval of any Subdivision Maps, which shall require City approval in its municipal capacity.

D. [§ 704] Landscape Maintenance Assessment

The Developer shall comply with all terms and conditions set forth in any established or subsequently established landscape maintenance assessment district.

E. [§ 705] Assessment District

The Developer shall comply with all terms and conditions set forth in any established or subsequently established assessment district.

F. [§ 706] Reciprocal Easement Agreements

[Reserved]

G. [§ 707] Employment and Training Requirements

Notwithstanding anything contained in this Agreement and the Attachments to the contrary, the Developer, for itself as well as any and all successors-in interest to the Site, hereby agrees to comply and/or cause the compliance with the contracting as well as employment and training requirements set forth in the Employment and Training Requirements, which is attached to this Agreement as Attachment No. 6.

H. [§ 708] Removal of Site from Los Angeles County Property Tax Rolls

Moreover, and notwithstanding anything contained in this Agreement and the Attachments to the contrary, the Developer, for itself as well as any and all successors-in interest to the Site, hereby acknowledge and agree that the Public Entities participation is predicated upon the development of the Site by the Developer and the continued operation of the Site and all portions thereof, remaining on the Los Angeles County Property Tax Rolls during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the City to the Developer pursuant to Section 324 of this Agreement, whichever is longer (the “Effective Period”) , and that neither it nor any of its

successors-in interest to the Site, or any portion thereof, shall remove or cause the removal of the Site or any portion thereof, from the Los Angeles County Property Tax Rolls during the Effective Period except in the event of a purchase of the Site or any portion thereof, pursuant to an eminent domain case filed against the Site. In the event of such removal in violation of this Section 708, the Developer, any and all successors-in interest to the Site (as applicable), shall be fully responsible for the payment of the “Additional Purchase Price” as set forth in the Grant Deed (Attachment No. 5) and Agreement Containing Covenants Affecting Real Property (Attachment No. 7).

I. [§ 709] Agreement Containing Covenants Affecting Real Property

The Developer hereby agrees to execute for recordation with the Los Angeles County Recorder’s Office that certain Agreement Containing Covenants Affecting Real Property (the “Covenant Agreement”) in the form attached hereto as Attachment No. 7 and establishing certain development standards and requirements for the Participating Parcel in accordance with the requirements of this Agreement. The Covenant Agreement is fully incorporated herein by this reference.

VIII. [§ 800] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement shall be executed in five duplicate originals each of which is deemed to be an original. This Agreement includes forty-six (46) pages and ten (10) attachments which constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Site.

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the grant deed conveying title to the Site and this Agreement shall continue in full force and effect with respect to the Site from the date on which this Agreement is executed by the City until a Release of Construction Covenants for the Site (or applicable portion thereof) as provided in Section 324 is recorded.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Developer and/or any of the Developer’s lenders for the Site.

This Agreement and any provisions hereof may be amended by mutual written agreement by Developer and the City and any such lender, and such amendment shall not require the consent of any other fee owner, tenant, lessee, easement holder, licensee, or any other person or entity having an interest in the Site.

IX. [§ 900] TIME FOR ACCEPTANCE OF AGREEMENT BY CITY; DATE OF AGREEMENT

This Agreement, when executed by the Developer and delivered to the City, must be authorized, executed and delivered by the Public Entities to the Developer within sixty (60) days after this Agreement is signed by the Developer, or this Agreement may be terminated by the Developer on written notice to the City. The effective date of this Agreement shall be the date it is signed by the City.

CITY OF INGLEWOOD
(City)

Dated: _____

By: _____
Mayor

CITY OF INGLEWOOD AS SUCCESSOR
AGENCY TO THE FORMER INGLEWOOD
REDEVELOPMENT AGENCY
(Successor Agency)

Dated: _____

By: _____
Chairman

K.P. AUTO CENTER, L.P.
a California Limited Partnership
(Developer)

By: Koper Car Corporation
a California corporation
(General Partner)

Date: _____

By: _____
Michael Koper
President

APPROVED AS TO FORM AND
LEGALITY ON THIS _____
day of _____, 2015.

KENNETH R. CAMPOS
City Attorney/Agency General Counsel

By: _____
Kenneth R. Campos

APPROVED:

KANE, BALLMER AND BERKMAN
City/Agency Special Counsel

By: _____
Royce K. Jones

ATTEST:

CITY CLERK/AGENCY SECRETARY

By: _____
Yvonne Horton