DATE: January 31, 2012

TO: Mayor and Council Members

FROM: Community Development Department

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

RECOMMENDATION

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

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

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

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

BACKGROUND

The Inglewood Redevelopment City/Agency (Agency) received an unsolicited proposal from KP Auto Center L.P. (Developer) on August 17, 2009, to purchase city-owned property located at Olive Street and Glasgow Avenue within the Merged Inglewood Redevelopment Project Area (La Cienega). Beginning March 30, 2010, the developer and the City/Agency have entered into three exclusive negotiating agreements for the development of the site. Those negotiations have been completed.
The city-owned 2.72-acre parcel (Sales Parcel) would provide a link between the CarMax facility located at 8611 South La Cienega Boulevard and LAX Hyundai located at 970 West Manchester Boulevard. The Developer seeks City assistance in completing the Inglewood Automotive Center initially envisioned to stretch from La Cienega Boulevard to Isis Avenue. Presently, CarMax occupies 8.3 acres of the auto center and the Developer occupies and holds ownership to approximately 6.72 acres, of which 1.57 acres (Participating Parcel) are located adjacent to the City-owned Sales Parcel. The Participating Parcel and the Sales Parcel are collectively referred to as the Site, which totals 4.29 acres. The Sales Parcel would provide a connection between KP Properties and CarMax. With the addition of the City-owned property, the "Inglewood Auto Mall" concept would result in an approximately 17.72 acres of auto sales and related auto uses in that area.

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

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

DISCUSSION

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

The proposed development has the potential to create approximately 60 new jobs and generate approximately $310,000 in general fund revenue for the City of Inglewood. The development of the parcels will serve to meet the objectives of redevelopment by
concentrating actions on selected land assembly and development assistance for commercial and industrial development.

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

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

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

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

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

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

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

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

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

COUNCIL PRESENTER: Margarita Cruz, Redevelopment Manager

PROOFREAD FOR ACCURACY: Margarita Cruz
STATE OF CALIFORNIA
County of Los Angeles

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter.

I am the principal clerk of the printer of the California Crusader News
a newspaper of general circulation, printed and published Weekly in the County of Los Angeles and which newspaper has been so adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the Case Number BS75313
date of September 30, 1998

That the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof following dates, to wit:

Date Pub: 1/12, 1/19, 1/26/12

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Hawthorne, California
This 26 day of January 2012

Signature
CALIFORNIA CRUSADER NEWS
11633 Hawthorne Blvd., Suite 211
Hawthorne, California 90250
Telephone (310) 673-5555 / (310) 679-2288
legal8
RESOLUTION NO. ______

A RESOLUTION OF THE INGLEWOOD CITY COUNCIL MAKING FINDINGS AND ADOPTING A MITIGATED NEGATIVE DECLARATION FOR K.P. AUTO CENTER, L.P., FOR PROPOSED AUTOMOBILE SALES AND AUTO- RETAILED USES IN THE MERGED REDEVELOPMENT PROJECT

AREA (LA CIENEGA)

WHEREAS, the City of Inglewood, as lead agency, has prepared a mitigated Negative Declaration (including an Initial Study) ("Mitigated Negative Declaration/Initial Study") for K.P. Auto Center, L.P. for the proposed Automobile Sales and Retail Center in the Merged Inglewood Redevelopment Projects Area (LaCienega); and

WHERE, the proposed development consist of the establishment a new automobile dealership comprise of a new two story 10,375 square-foot showroom building, an existing automobile dealership comprised of a one-story 20,400 square-foot building used as an automobile showroom and offices and 15,197 one-story square-foot building used for automobile service and repair on an approximately 4.32 C-3 (Heavy Commercial) and M-1 (Light Manufacturing) site comprised of 11 parcels.

WHEREAS, the Mitigated Negative Declaration/Initial Study was prepared and circulated pursuant to the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines,

WHEREAS, following the public review and comment period a final Mitigated Negative Declaration/Initial Study was prepared incorporating comments and recommendations received on the circulated Mitigated Negative Declaration/Initial Study, and responses of the City to environmental issues raised in the review process.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Mitigated Negative Declaration/Initial Study for the proposed Amendments is hereby received by the City Council in the form attached hereto.
Section 2. The City Council hereby finds based on the Mitigated Negative Declaration/Initial Study, comments received on the Mitigated Negative Declaration/Initial Study and the City’s responses thereto, that there is no substantial evidence that the Amendments would have a significant effect on the environment.

Section 3. The City Council hereby finds that the Mitigated Negative Declaration/Initial Study has been reviewed and considered by the members of the City Council and hereby approves and adopts the Mitigated Negative Declaration.

PASSED, APPROVED, AND ADOPTED this _____ day of January 31, 2012.

_______________________________
Mayor, City of Inglewood, California

ATTEST:

_______________________________
City Clerk, City of Inglewood, California
The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 (Section 33433). The report sets forth certain details of the proposed Disposition and Development Agreement (Agreement) between the following parties:

1. The City of Inglewood (City); and
2. K.P. Auto Center L.P., a California limited partnership (Developer).

The City owns a 2.72-acre parcel (Sales Parcel) located at the southwest corner of Glasgow Avenue and Olive Street, which was conveyed to the City by the Inglewood Redevelopment Agency (Agency). The Developer currently owns a 1.57-acre parcel (Participating Parcel) located adjacent to the City-owned Sales Parcel. The Participating Parcel and the Sales Parcel are collectively referred to as the Site, which totals 4.29 acres. The Agreement requires the City to sell the Sales Parcel to the Developer for a purchase price of $1,300,000 for the purpose of developing an automobile sales and retail center, which will include the sale of certain ancillary auto parts, auto parking and related uses. After purchasing the Sales Parcel, the Developer will construct a 10,000 square foot building and retrofit an existing 36,000 square foot building both to be utilized for the aforementioned automobile uses (Project). The purpose of the Agreement is to effectuate the Redevelopment Plan (Redevelopment Plan) for the Merged Imperial-Prairie Redevelopment Project Area (Project Area).

The Agency used redevelopment tax increment revenue to assemble the Sales Parcel. Due to the use of this funding source, any conveyance of the Sales Parcel is subject to the reporting requirements imposed by California Health and Safety Code Section 33433 (Section 33433). Specifically, Section 33433 requires the Agency to prepare a report that summarizes the financial terms associated with the disposition transaction for the Sales Parcel. The Agency transferred ownership of the Sales Parcel, in fee title, to the City of Inglewood (City). As a result, the City is required by Section 33433 to prepare a Summary Report for the conveyance of the Sales Parcel.

The following Summary Report is based upon the information contained within the Agreement, and is organized into the following seven sections:
I. Salient Points of the Agreement: This Section summarizes the major responsibilities imposed on the Developer and the City by the Agreement.

II. Cost of the Agreement to the Agency: This section details the total cost to the Agency associated with implementing the Agreement.

III. Estimated Value of the Interests to be Conveyed Determined at the Highest Uses Permitted under the Redevelopment Plan: This section estimates the value of the interests to be conveyed determined at the highest use permitted under the Redevelopment Plan.

IV. Estimated Reuse Value of the Interests to be Conveyed: This section summarizes the valuation estimate for the Site based on the required scope of development, and the other conditions and covenants required by the Agreement.

V. Consideration Received and Comparison with the Established Value: This section describes the compensation to be received by the City, and explains any difference between the compensation to be received and the established value of the Site.

VI. Blight Elimination: This section explains how the Agreement will assist in alleviating blight in the Project Area.

VII. Conformance with the AB1290 Implementation Plan: This section describes how the Agreement achieves goals identified in the Agency's adopted AB1290 Implementation Plan.

This report and the Agreement are to be made available for public inspection prior to the approval of the Agreement.

I. SALIENT POINTS OF THE AGREEMENT

A. Project Description

The City will sell the Sales Parcel to the Developer to construct the following Project:

1. An automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses.

2. A new 10,000 square foot building will be constructed on the Site to be utilized for approved automobile uses.

3. An existing 36,000 square foot building will be retrofitted with paved and asphalt parking, as well as appropriate and necessary landscaping and parking.
B. Developer Responsibilities

The Agreement requires the Developer to accept the following responsibilities:

1. The Developer must purchase the Sales Parcel for a purchase price of $1,300,000.

2. The Developer must develop the Site in accordance with the Scope of Development within the Agreement.

3. Within five days of approving the Agreement, the Developer must deposit with the City a good faith deposit of $50,000.

4. The Developer shall submit basic concept drawings, landscaping and finish grading plans and other related construction documents for the development of the Site to City for review and approval.

5. The Developer must pay into escrow all fees, charges and costs necessary for the acquisition and conveyance of the Sales Parcel, which include:
   a. One half of the escrow fees;
   b. All premiums for title insurance required by the Developer in excess of a CLTA title insurance policy;
   c. One half of the costs necessary to place the title to the Sales Parcel in the condition for conveyance required by the provisions of the Agreement;
   d. Notary fees;
   e. Ad valorem taxes, if any, upon the Sales Parcel or upon the Agreement; and
   f. Any State, County or City documentary stamps and transfer tax.

6. Prior to the conveyance of the Sales Parcel, the Developer shall take such actions as are necessary to procure the appropriate zoning and subdivision map of the Site, and obtain the requisite land use regulations and designations so as to permit the development of the Site and construction of the improvements, and the operation and maintenance of the improvements in accordance with the Agreement.

7. The Developer must submit evidence to the City demonstrating that the Developer has obtained binding financing commitments for the acquisition of the Sales Parcel and the development of the Site:
   a. The Developer's first submission shall include:
      i. A Project budget;
ii. A copy of the commitment(s) obtained by the Developer for financing to complete the acquisition and construction of the improvements on the Site;

iii. Documentary evidence demonstrating that the Developer has satisfactory sources of equity capital sufficient to cover any difference between the development costs and the financing obtained for the Project; and

iv. 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 and copies of the tenant leases if requested by the City.

b. The Developer's second submission shall include:

i. A copy of the contract between the Developer and the general contractor(s) for the construction of the improvements on the Site; and

ii. Copies of any construction financing documents

8. The Developer accepts possession of the Sales Parcel As-Is.

9. The Developer agrees to carry out the design, construction and operation of the Project in conformity with all government regulations.

10. Per the Agreement, 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.

11. Except as expressly set forth in the Agreement, the Developer shall not transfer any rights, powers, portion of the Site or any improvements prior to the issuance of the Release of Construction Covenants without written approval of the Agency. If the Developer violates this section of the Agreement, the City shall be entitled to an "Excess Purchase Price" payable by the Developer for the Sales Parcel in the amount that the consideration payable for such an unauthorized sale, transfer, conveyance or assignment is attributable to the Sales Parcel to the City plus the cost of the Improvements developed on the Sales Parcel, including applicable carrying charges and related costs.

12. The Developer shall not remove the Site or any portion thereof from the Los Angeles County Property Tax Rolls during the Effective Period. The Effective Period is defined as the longer of the duration of the Redevelopment Plan or five years following the issuance of the Release of Construction Covenants. If the Developer or any successors-in-interest violates this section of the Agreement, they shall be required to pay an "Additional Purchase Price" as set forth in the Grant Deed.
C. City Responsibilities

The Agreement imposes the following responsibilities on the City:

1. The City must convey the Sales Parcel to the Developer for a purchase price of $1,300,000.

2. The City must pay one half of the escrow fee and the costs attributed to the CLTA title insurance policy.

3. The City shall have timely performed all of the obligations required by the terms of the Agreement to be performed by the City.

4. If the Developer fails to maintain the Site as required, after giving five business days' written notice, the City has the right to perform or cause the performance of all necessary maintenance at the Developer's expense.

II. COST OF THE AGREEMENT TO THE AGENCY

The costs incurred by the Agency to implement the Agreement are estimated as follows:

<table>
<thead>
<tr>
<th>Agency Costs</th>
<th>Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$3,010,000</td>
</tr>
<tr>
<td>Relocation</td>
<td>610,000</td>
</tr>
<tr>
<td>Environmental</td>
<td>112,586</td>
</tr>
<tr>
<td>Demolition &amp; Lead/Asbestos Abatement</td>
<td>578,076</td>
</tr>
<tr>
<td><strong>Total Agency Cost</strong></td>
<td><strong>$4,310,662</strong></td>
</tr>
</tbody>
</table>

The Agency purchased the Sales Parcel for $3.01 million and expended an additional $1.3 million to prepare the Sales Parcel for development. Subsequently, the Agency transferred the Sales Parcel to the City at no cost. The Agency does not project to receive any revenue from the sale or operation of the Sales Parcel. As such, the total cost to the Agency equals $4.31 million.

III. ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN

Section 33433 requires the Agency to identify the value of the interests being conveyed at the highest use allowed by the requirements imposed by the Redevelopment Plan. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by the Agency.
Lidgard and Associates, Inc. (Lidgard) conducted an initial appraisal of the Sales Parcel in March 2011, and then performed an update appraisal in October 2011. Based on the update appraisal, Lidgard estimates the fair market value of the Sales Parcel at $2.87 million, or $24 per square foot of land area. The appraisal assumes the highest and best use of the Sales Parcel is industrial or quasi-commercial/industrial development.

**IV. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED**

In a November 2011 report issued by Tierra West Advisors, Inc. (Tierra West), the fair reuse value of the Sales Parcel was demonstrated to be $1,300,000. This reuse valuation took into consideration the development costs and the financial terms and conditions assumed by the Developer.

**V. CONSIDERATION RECEIVED AND COMPARISON WITH THE ESTABLISHED VALUE**

The Agreement requires the City to sell the Sales Parcel to the Developer for a purchase price of $1,300,000. The purchase price is equal to the fair reuse value of the Sales Parcel, so it is concluded that the consideration received is equal to or greater than the fair reuse value.

**VI. BLIGHT ELIMINATION**

The Site currently contains 2.72 acres of vacant land located at a major intersection. The construction of the Project by the Developer will eliminate significant physical and economic blighting conditions caused by the Sales Parcel. Thus, the proposed development fulfills the blight elimination requirement.

**VII. CONFORMANCE WITH THE AB1290 IMPLEMENTATION PLAN**

The Project conforms to several objectives defined in the Five Year Implementation Plan for 2007 – 2011 adopted by the Agency. The pertinent goals and objectives that are satisfied by the Project are:

1. Strengthen the commercial sector of the Project Area by improving blighting conditions and increasing functionality and desirability.

2. Facilitate business expansion and economic development by providing assistance to and working with potential Developers.

3. Improve the economic viability of the commercial and industrial sectors of the Project Area through development assistance.
MERGED INGLEWOOD REDEVELOPMENT PROJECT
INGLEWOOD, CALIFORNIA

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

CITY OF INGLEWOOD,

City,

and

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

Developer.
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ATTACHMENT NO. 1</th>
<th>SITE MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTACHMENT NO. 1A</td>
<td>LEGAL DESCRIPTION</td>
</tr>
<tr>
<td>ATTACHMENT NO. 2</td>
<td>METHOD OF FINANCING</td>
</tr>
<tr>
<td>ATTACHMENT NO. 2A</td>
<td>PROJECT BUDGET</td>
</tr>
<tr>
<td>ATTACHMENT NO. 3</td>
<td>SCHEDULE OF PERFORMANCE</td>
</tr>
<tr>
<td>ATTACHMENT NO. 4</td>
<td>SCOPE OF DEVELOPMENT</td>
</tr>
<tr>
<td>ATTACHMENT NO. 5</td>
<td>GRANT DEED</td>
</tr>
<tr>
<td>ATTACHMENT NO. 6</td>
<td>EMPLOYMENT AND TRAINING AGREEMENT</td>
</tr>
<tr>
<td>ATTACHMENT NO. 7</td>
<td>AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY</td>
</tr>
<tr>
<td>ATTACHMENT NO. 8</td>
<td>RELEASE OF CONSTRUCTION COVENANTS</td>
</tr>
</tbody>
</table>
DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into by and between the CITY OF INGLEWOOD, a municipal corporation (the "City") and K.P. AUTO CENTER, L.P., a California Limited Partnership (the "Developer") with respect to the following:

RECITALS.

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

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

WHEREAS, pursuant to the terms of the ENA and the Cooperation Agreement, the City and the Developer now wish to enter into this Agreement for the disposition of that certain real property currently owned by the City to the Developer for development in accordance with the requirements of this Agreement.

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

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Merged Imperial-Prairie Redevelopment Project Area by providing for the sale of certain City-owned real property to the Developer, and its redevelopment by the Developer in conjunction with certain Developer-owned real property on land area of approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square 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 Imperial-Prairie Redevelopment Project Area, which was approved and adopted on February 26, 2002, by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 by the City Council of the City of Inglewood (the "Redevelopment Plan"). Said Ordinances and the Redevelopment Plan are incorporated herein by reference and made a part hereof as though set forth in full.

Any amendments hereinafter to the Redevelopment Plan (as so approved and adopted) which change the uses or development permitted on the Site as proposed in this Agreement, or otherwise change the restrictions or controls that apply to the Site or otherwise adversely affect the Developer’s obligations or rights with respect to Site, shall require the written consent of the Developer which the Developer may withhold in its sole discretion. Amendments to the Redevelopment Plan applying to other property in the Merged Imperial-Prairie Redevelopment Project area shall not require the consent of the Developer.

C. [§ 103]  The Redevelopment Project Area

The Merged Imperial-Prairie Redevelopment Project Area (the "Redevelopment Project Area") is located in the City of Inglewood. The exact boundaries of the Redevelopment Project area are specifically and legally described in the Redevelopment Plan.

D. [§ 104]  The Site

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

E.  

1.  

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

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

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

2.  

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.  

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

(a)  

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

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

the qualifications and identity of the Developer, and its principals, are of particular concern to the community and the City. The Developer further recognizes that it is because of such qualifications and identity that the City is entering into the Agreement with the Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

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

In the event that, in violation of this Agreement, the Developer does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign any part of the Site or the buildings or structures thereon prior to the issuance of the Release of Construction Covenants, the City shall be entitled to an "Excess Purchase Price" payable by the Developer for the Sales Parcel in the amount that the consideration payable for such unauthorized sale, transfer, conveyance or assignment is attributable to the Sales Parcel and exceeds the amount of the Purchase Price paid by the Developer for the Sales Parcel to the City plus the cost of the Improvements developed on the Sales Parcel, including applicable carrying charges and costs related thereto. To the extent the Developer is required to pay an Excess Purchase Price to the City and such Excess Purchase Price has not been paid to the City, the City shall have a lien on the Site for the entire amount of the Excess Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to develop the Site (or applicable portion thereof) as authorized herein.
Except for assignments duly executed and deemed approved by the City as provided above, the Developer covenants and agrees for itself, and any of its successors in interest, that prior to issuance by the City of a Release of Construction Covenants and without the prior written approval of the City, there shall be no significant change in the ownership of the Developer, or in the relative proportions thereof, or with respect to the identity of the parties in control of the Developer, by any method or means.

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

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

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

G. [§ 109] City Representations

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

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

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

(iii) With the exception of the Regional Water Quality Control Board remediation investigation of the Sales Parcel, the City has not received any notice of, and has no knowledge of, any pending or threatened taking or condemnation of the Sales Parcel or any portion thereof.

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

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

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

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

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

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

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

H. [§ 110] Developer Representations

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

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

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

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

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

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

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

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

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

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

II. [§ 200] DISPOSITION OF THE SALESPARCEL

A. [§ 201] Sale and Purchase

In accordance with and subject to all the terms, covenants, and conditions of this Agreement, the City agrees to sell to Developer and Developer agrees to purchase the Sales Parcel as shown on the Site Map (Attachment No. 1) and more precisely described in that certain Legal Description attached hereto and made a part hereof as Attachment No. 1A. The Developer shall pay to the City as the total purchase price for the Sales Parcel, the Developer’s Purchase Price as well as the Excess Purchase Price and Additional Purchase Price (to the extent applicable and warranted) in the accordance with the amounts and terms set forth in the Method of Financing, attached hereto as Attachment No. 2 and fully incorporated herein by this reference (the “Purchase Price”). The sale of the Sales Parcel shall be subject to satisfaction of all conditions precedent, as set forth in this Agreement and the Method of Financing.

B. [§ 202] Escrow

The City agrees to open an escrow for conveyance of the Sales Parcel in the County of Los Angeles with an escrow company or escrow agent acceptable to both the City and the Developer (the “Escrow Agent”) as escrow agent, within the time provided in the Schedule of Performance attached hereto as Attachment No. 3 and incorporated herein by this reference. Sections 203-213 inclusive of this Agreement constitute the joint escrow instructions of the City and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow. The City and the Developer shall provide such additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its acceptance thereof in writing, delivered to the City and to the Developer within five (5) days after opening of the escrow, the Escrow Agent shall carry out its duties as Escrow Agent hereunder.
The Sales Parcel shall be conveyed in a single conveyance for the construction and development of the improvements on the Site (i.e., the Sales Parcel and the Participating Parcel) provided for in this Agreement. Upon delivery of the Grant Deed for the Sales Parcel to the Escrow Agent by the City pursuant to Section 205 of this Agreement, the Escrow Agent shall record such Grant Deed in accordance with these escrow instructions, provided that the title to the Sales Parcel can be vested in the Developer in accordance with the terms and provisions of this Agreement. The Escrow Agent shall buy, affix, and cancel any transfer stamps required by law. The Escrow Agent shall also disclose and provide the Developer with all pertinent documentary transfer tax information and costs prior to the close of escrow. Any insurance policies governing the applicable Site are not to be transferred.

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

1. One half of the escrow fee;

2. All premiums for title insurance required by Developer in excess of a CLTA title insurance policy;

3. One half of the costs necessary to place the title to the Sales Parcel in the condition for conveyance required by the provisions of this Agreement;

4. Notary fees;

5. Ad valorem taxes, if any, upon the Sales Parcel or upon this Agreement or any rights hereunder, attributable to the period following the conveyance of title or possession; and

6. Any State, County or City documentary stamps or transfer tax.

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

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

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

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

1. Pay, and charge Developer for any fees, charges and costs payable under this Section 202. Before such payments are made, the Escrow Agent shall notify the City and Developer of the fees, charges and costs necessary to clear title and close the escrow.

2. Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the City and Developer. The Purchase Price shall not be disbursed by the Escrow Agent unless and until it has recorded the Grant Deed and has delivered to Developer a title insurance policy insuring title and conforming to the requirements of Section 208 of this Agreement.

3. Record any instruments delivered through this escrow if necessary or proper to vest title in Developer in accordance with the terms and provisions of the escrow instructions portion of this Agreement (Sections 200-212).

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

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

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

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

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

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

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

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

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

D. [§ 204] Form of Deed

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

E. [§ 205] Condition of Title

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

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

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

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

Subject to any mutually agreed upon extension of time, the City shall deposit the Grant Deed for the Sales Parcel with the Escrow Agent on or before the date established for the conveyance of the Sales Parcel in the Schedule of Performance (Attachment No. 3).

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

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

H. [§ 208] Title Insurance

Concurrently with recordation of the Grant Deed, First American Title Insurance Company or another title insurance company satisfactory to the City and the Developer ("Title Co.") shall provide and deliver to the Developer a 1970 Form B ALTA extended coverage owner's title insurance policy issued by Title Co. insuring that the title is vested in the Developer in the condition required by Section 205 of this Agreement, and any special endorsements which the Developer reasonably requests. The Title Co. shall provide the insurance policy and the title insurance policy shall be in the amount of the Purchase Price of the Sales Parcel or in such greater amount as the Developer may specify as hereinafter provided.
Concurrently with the issuance of the title policy for the Site, the Title Co. shall, if requested by the Developer, provide the Developer with an endorsement to insure the amount of the Developer's estimated construction costs of the improvements to be constructed on the Site and any lender's interest in the Site.

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

I. [§ 209] Taxes and Assessments

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

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

J. [§ 210] Occupants of the Sales Parcel

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

K. [§ 211] Zoning of the Site

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

L. [§ 212] Condition of the Sales Parcel

The Sales Parcel, and each portion thereof, shall be conveyed in an “as is” condition, with no warranty, express or implied by the City as to the condition of the soil, water, or presence of "Hazardous Substances" (as defined herein) its geology, or the presence of known or unknown
contaminants. In this regard, the City, at the request of the Developer, shall make available to
the Developer all documents within its possession pertinent to the condition of the Site. Except
as otherwise and specifically provided for in this Agreement, it shall be the sole responsibility of
the Developer, at the Developer’s expense, to investigate and determine the soil and water
conditions of the Site (i.e., the Sales Parcel and Participating Parcel) and the suitability of the
Site for the development to be constructed on the Site by the Developer. However,
notwithstanding the foregoing, the City shall be responsible for the remediation of all Hazardous
Substances on the Sales Parcel identified by the Developer on the Sales Parcel subject to the
following limitations: (a) all such Hazardous Substances identified by the Developer is
communicated in writing to the City within five (5) years following the execution of this
Agreement by the City; (b) none of the identified Hazardous Substances on the Sales Parcel is
the result of any action taken by Developer and/or any of its contractors, consultants, employees,
agents, successors, assigns, etc., whether acting on behalf of the Developer or not; and (c) the
total cost to the City of remediating all identified Hazardous Substances shall not exceed the
amount of One Million Three Hundred Thousand Dollars ($1,300,000) (the “Remediation
Costs”). Subject to the remediation obligation, if any established in this paragraph, the City
agrees to indemnify, defend (with legal counsel of City’s choice) and hold the Developer
harmless from any costs, claims, damages, or liability arising from such obligation. However,
notwithstanding the foregoing, the City shall not be responsible for (and such indemnity shall not
apply to) acts of negligence or misconduct on the part of the Developer, its officers, employees,
contractors, agents, tenants, consultants, assignees and/or successors-in-interest. All such
indemnity costs required of the City, if any, shall be subject to and included in the Remediation
Costs. The indemnity provision of this paragraph shall survive termination of this Agreement;
provided the following: (a) the City has issued the Release of Construction Covenants to the
Developer pursuant to Section 324 of this Agreement; and (b) the Developer has timely
identified and notified the City of the presence of Hazardous Substances on the Sales Parcel as
set forth in this paragraph.

Any and all costs attributable to the remediation of Hazardous Substances on the Sales
Parcel by the City pursuant to this paragraph in excess of the Remediation Costs shall be the sole
responsibility of the Developer.

Moreover, the City shall be fully responsible for satisfying the remediation requirements
of the Regional Water Quality Control Board relating to the Sales Parcel (the “RWQCB
Remediation”). All such costs for the RWQCB Remediation shall be the sole responsibility of
the City.

With the exception of the remediation activities arising from the RWQCB Remediation
and the Remediation Costs (to the extent applicable), and consistent with the requirements of
Section 309 of this Agreement, Developer shall defend, indemnify and hold City and Inglewood
Redevelopment Agency and their respective officers, members, employees, contractors,
consultants, agents and successors harmless from any costs, claims, damages or liabilities
pertaining to or arising from the performance of any tests and inspections of the Site, or any
portion thereof. Any damage or injury to any of the parcels comprising the Sales Parcel or any
improvement thereon resulting from any such test or inspection shall be promptly repaired or restored by Developer at its sole expense.

For purposes of this Agreement, “Hazardous Substances” means: (a) those substances included within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances,” or “solid waste” in CERCLA or RCRA; (b) those substances defined as “hazardous wastes” in 25117 of the California Health & Safety Code, or as “hazardous substances” in 25316 of the California Health & Safety Code, and in the regulations promulgated pursuant to said laws; (c) those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection City (or any successor agency) as hazardous substances (40 C.F.R. part 302 and amendments thereto); (d) any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a “hazardous substance” pursuant to 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321) or listed pursuant to 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 City and Developer

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

O. [§ 214] Preliminary Work by the Developer

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

P. [§ 215] Submission of Evidence of Financing

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

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

1. A project budget, current as of the close of escrow for the conveyance of the Sales Parcel, setting forth all development costs for the Site (the “Development Costs”), or a certification by the Developer that the Project Budget attached to this Agreement as Attachment No. 2A remains accurate;

2. A copy of the commitment or commitments obtained by the Developer for any mortgage loan or loans or other financing for construction financing to finance the entire cost of acquisition of the Sales Parcel and construction of the improvements on the Site or the applicable portion thereof in the event of a phasing of the construction of the improvements on the Site (as defined in the Scope of Development), certified by the Developer to be a true and correct copy or copies thereof. The commitment or commitments for financing shall be in such form and content acceptable to the City as reasonably evidences a commitment normally issued by an institutional lender.

3. Documentary evidence reasonably satisfactory to the City of sources of equity capital sufficient to demonstrate that the Developer has adequate funds committed to cover the difference, if any, between the Development Cost less financing authorized by mortgage loans for the development of the Site.

4. A schedule of all tenants obtained to date to occupy space within the Site, together with the amount of space, lease term, and minimum and performance rent and tenant improvement allowance applicable thereto, and copies of such tenant leases (to be provided to City Special Counsel for confidential review) if requested by the City, certified to be true and correct copies thereof.

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

1. A copy of the contract between the Developer and the general contractor or contractors for the construction of the improvements on the Site or the applicable portion thereof in the event of a phasing of the construction of the improvements on the Site, certified by the Developer to be a true and correct copy thereof.

2. Copies of any construction loan documents, including but not limited to any loan agreement, note and trust deed, as well as equity commitment documents, pertaining to the development of the Site in final form to be closed through the escrow provided for in Section 202, together with evidence that any such documents have been submitted to escrow and that there are no outstanding conditions, except as required by this Agreement to be satisfied concurrently with closing of any mortgage loan and/or other financing for the development of the
Site, which would preclude closing and initial funding of such construction loan or loans and equity provided to and/or by the Developer.

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

Q. [§ 216] CEQA Requirements

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

III. [§300] DEVELOPMENT OF THE SITE

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

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

B. [§ 302] Scope of Development

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

C. [§ 303] Basic Concept Drawings

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

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

D. § 304 Landscaping and Finish Grading Plans

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

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

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

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

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

Approval of progressively more detailed drawings and specifications will be promptly granted by the City if developed as a logical evolution of drawings or specifications theretofore approved. Any items so submitted and approved by the City shall not be subject to subsequent disapproval.
During the preparation of all drawings and plans, the City and the Developer shall, at the request of the City, hold regular progress meetings to coordinate the preparation of, submission to, and review of the Drawings by the City. The City and the Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to the City can receive prompt and speedy consideration.

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

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

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

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

G. [§ 307] Cost of Construction

The cost of developing the Site, and constructing the Improvements thereon, shall be borne by the Developer, except as otherwise expressly and specifically provided herein.
H. [§ 308] Schedule of Performance

After the conveyance of title to and possession of the Sales Parcel, or any portion thereof, the Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the Improvements on the Site or the applicable portion thereof, and the development thereof as provided in the Scope of Development (Attachment No. 4), The Developer shall begin and complete all construction and development of the Improvements on the Site within the times specified in the Schedule of Performance (Attachment No. 3) with such reasonable extensions of said dates as may be granted in writing by the City. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by the Developer and the City.

During periods of construction, the Developer shall submit to the City a written report of the progress of the construction when and as reasonably requested by the City, but in no event shall the Developer be required to submit any such report more often than monthly. The report shall be in such form and detail as may be reasonably required by the City and shall include a reasonable number of construction photographs (if requested) taken since the last report by the Developer.

Without limiting the foregoing, prior to the completion of the Improvements on the Site, and also prior to completion of any off-site improvements related to and required as part of the development of the Site for which the Developer shall be responsible, the Developer and its architect shall formally demonstrate to the City (or its designee) that the actual structural design and construction of the improvements on the Site are consistent with the plans, drawings and specifications theretofore approved by the City for the development.

I. [§ 309] Indemnification during Construction; Bodily Injury and Property Damage Insurance

During the period commencing with execution of this Agreement by the City, and continuing until such time as the City has issued a Release of Construction Covenants with respect to the construction of the Improvements on the Site, the Developer agrees to and shall indemnify and hold the City, the City and their respective officers, employees, contractors and agents harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys’ fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur on or adjacent to the Site and which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of the Developer or its officers, employees, contractors or agents with the exception of acts, errors or omissions of the City, City, and/or their respective officers, employees, contractors or agents.

During the period commencing with any preliminary work on the Site by Developer under Section 214, or if none, then commencing with conveyance of title and possession of the Sales Parcel to Developer, and ending on the date when a Release of Construction Covenants has
been issued with respect to the entire Site, the Developer shall furnish or cause to be furnished to
the City, duplicate originals or appropriate certificates of bodily injury and property damage
insurance policies in the amount of at least $3,000,000 combined single limit liability naming the
City, the City, and their respective officers, employees, contractors and agents as additional
insureds.

J. [§ 310] Antidiscrimination during Construction

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

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

The Developer shall carry out the construction of the Improvements on the Site in
conformity with all applicable laws, including all applicable federal and state labor standards.
The Developer shall carry out development, construction (as defined by applicable law) and
operation of the improvements on the Site, including, without limitation, any and all public
works (as defined by applicable law), in conformity with all applicable local, state and federal
laws, including, without limitation, all applicable federal and state labor laws (including, without
limitation, the requirement to pay state prevailing wages to the extent applicable). The Developer
hereby expressly acknowledges and agrees that neither City nor the City has ever previously
affirmatively represented to the Developer or its contractor(s) for the construction or
development of the improvements in writing or otherwise, in a call for bids or otherwise, that the
work to be covered by this Agreement is not a “public work,” as defined in Labor Code Section
1720. Developer hereby agrees that Developer shall have the obligation to provide any and all
disclosures or identifications required by Labor Code Section 1781, as the same may be enacted,
adopted or amended from time to time, or any other similar law. The Developer shall indemnify,
protect, defend and hold harmless the City, City and their respective officers, employees,
contractors and agents, with counsel reasonably acceptable to the City and City, from and against
any and all loss, liability, damage, claim, cost, expense and/or “increased costs” (including
reasonable attorneys’ fees, court and litigation costs, and fees of expert witnesses) which, in
connection with the development, construction (as defined by applicable law) and/or operation of
the improvements, including, without limitation, any and all public works (as defined by
applicable law), results or arises in any way from any of the following: (1) the noncompliance by
the Developer of any applicable local, state and/or federal law, including, without limitation, any
applicable federal and/or state labor laws (including, without limitation, the requirement to pay
state prevailing wages); (2) the implementation of SB 966; (3) the implementation of Labor Code
Section 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to
time, or any other similar law; and/or (4) failure by the Developer to provide any required
disclosure or identification as required by Labor Code Section 1781, as the same may be enacted,
adopted or amended from time to time, or any other similar law. It is mutually agreed by the
parties that, in connection with the development, construction (as defined by applicable law) and
operation of the improvements, including, without limitation, any and all public works (as
defined by applicable law), the Developer shall bear all risks of payment and/or non-payment of state prevailing wages and/or the implementation of SB 966 and/or Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, and/or any other similar law. “Increased costs” as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement.

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

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

M. [§ 313] Rights of Access

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

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

N. [§ 314] Responsibilities of the City

The City shall only be responsible for performing any work specified in the Scope of Development (Attachment No. 4) requiring City performance


The Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Sales Parcel and all portions thereof, subsequent to the conveyance of the title or possession. However, the Developer shall be responsible at all times for the payment when due of all real estate taxes and assessments assessed and levied on or against the Participating Parcel The Developer shall not place, or allow to be placed on the Site or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement. The Developer shall remove, or shall have removed, any levy or attachment made on the Site or
any portion thereof, except those created by work of the City, or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amount of any tax assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto. The covenants of the Developer set forth in this Section 315 relating to the placement of any unauthorized mortgage, trust deed, encumbrance, or lien, shall remain in effect only until a Release of Construction Covenants has been recorded with respect to the Site or the portion thereof upon which any unauthorized mortgage, trust deed, encumbrance or lien might be placed.

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

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

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

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

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

[Reserved]

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

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

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

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

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

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

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

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

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

In any case where six (6) months after default by the Developer relative to the completion of construction of the Improvements on the Site (for which a Release of Construction Covenants has not yet been issued the City pursuant to this Agreement), the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Site (or portion thereof) has not exercised the option to construct, or if it has exercised the option but has not proceeded diligently with construction (including diligent efforts to obtain possession if necessary), the City may purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest and other charges properly
payable under the mortgage, deed of trust or other security interest; provided, however, that the holder shall have thirty (30) days after its receipt of notice from the City of its intent to effect this purchase, in which the holder may exercise the option to construct (if it has not previously done so), or may resume to proceed diligently with construction, as the case may be, and if the holder does so act, the notice from the City shall be deemed withdrawn; the foregoing right to delay purchase by the City may be exercised only once by the holder. If the ownership of the Site (or any portion thereof) has vested in the holder, the City, if it so desires, shall be entitled to a conveyance from the holder to the City upon payment to the holder of an amount equal to the sum of the following as they pertain to the Site (or portion thereof):

(a) The unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).

(b) All expenses with respect to foreclosure.

(c) The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent ownership or management of the Site (or portion thereof), such as insurance premiums and real estate taxes.

(d) The cost of any Improvements on the Site made by such holder.

(e) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the City.

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

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

Notwithstanding the preceding paragraph, Developer hereby acknowledges that the City shall be under no obligation pursuant to this section to cure any such default.
W. [§ 323] Right of the City to Satisfy Other Liens on the Property after Title Passes

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

X. [§ 324] Release of Construction Covenants

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

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

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

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

Y. [§ 325] Project Identification Sign

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

- Development name
- Developer
- The phrase:

A Project of the Inglewood Redevelopment City

Mayor: James T. Butts, Jr.

Councilmembers: Michael Stevens 1st District
Judy Dunlap 2nd District
Eloy Morales 3rd District
Ralph Franklin, 4th District

- Completion Date ________________
- For information call
Developer shall obtain a current roster of Inglewood Redevelopment City before signs are printed.

IV. [§ 400] USE OF THE SITE

A. [§ 401] Uses

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

B. [§ 402] Maintenance of the Site

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

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

C. [§ 403] Obligation to Refrain from Discrimination

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

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

The Developer shall refrain from restricting the rental, sale or lease of the property on the basis of sex, marital status, race, color, creed, religion, ancestry or national origin of any person.
All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

2. In leases: “The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

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

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

E. [§ 405] Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Site, or any part thereof, for the benefit and in favor of the City and the Inglewood Redevelopment Agency and their respective successors and assigns. Such covenants as are to survive the recordation of the Release of Construction Covenants by the City shall be contained in the Grant Deed (Attachment No. 5) and shall remain in effect for the period specified therein. Covenants in
this Agreement not expressly set forth in the Grant Deed shall terminate upon the issuance of a Release of Construction Covenants therefor.

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

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

V.  [§ 500] DEFAULTS, REMEDIES AND TERMINATION

A.  [§501] Defaults - General

Subject to the extensions of time set forth in Section 604 and the cure periods provided in Section 507 hereof, any material failure or delay by either party to perform any term or provision of this Agreement shall constitute a default under this Agreement. The party who fails or delays must promptly commence to cure, correct or remedy such failure or delay and continue to 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 Executive Director or Chairman of the City, or in such other manner as may be provided by law.

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

C. [§ 506] Rights and Remedies Are Cumulative

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

D. [§ 507] Damages

If either party is in default with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within ten (10) days after receipt of a notice of default in the event of a monetary obligation, or within thirty (30) days for any other type of default, then the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default. However, in the event that the default (other than a monetary obligation) is the type in which the defaulting party is incapable of curing
within the thirty (30) day cure period, then if the defaulting party fails to commence the necessary actions to cure the default within the requisite thirty (30) days and fails to continuously and diligently cure the subject default within a reasonable period of time after commencement, then the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default.

E.  § 508 Specific Performance

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

F.  § 509 Remedies and Rights of Termination

1. § 510 Termination by Developer

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

a. the Developer is unable, despite commercially reasonable efforts, and within the time established respectively therefor in the Schedule of Performance to obtain approval from the City of any requisite Preliminary Subdivision Map, or Final Subdivision Map with respect to the Site, as referred to as “Subdivision Maps” in Section 703 of this Agreement; or

b. the Developer is unable, despite commercially reasonable efforts, to obtain financing consistent with this Agreement, for the acquisition of the Sales Parcel and construction and development of the improvements on the Site in accordance with this Agreement and the Scope of Development (Attachment No. 4) and deliver to the City any submission of evidence of financing referred to in Section 219 within the time established therefor in the Schedule of Performance; or

c. the Developer is unable, despite commercially reasonable efforts, to obtain prior to the date established in this Agreement for conveyance of the Sales
Parcel, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the City:

i) final discretionary permits and/or approvals required for the development of the Site by the City or any other governmental entity having applicable jurisdiction; or

ii) all utility permits including any applicable sewer and water permits; or

iii) building permits; or

d. the Developer shall reasonably determine that the condition on the Sales Parcel is not suitable for development thereon pursuant to Section 212 of this Agreement prior to the conveyance date established therefor in the Schedule of Performance; or

e. the Developer is unable, despite commercially reasonable efforts, to obtain and submit to the City any submission of evidence of financing commitments referred to in Section 219 of this Agreement with respect to the Site, within the time established respectively therefor in the Schedule of Performance; or

f. the City is unable, despite commercially reasonable efforts, to tender conveyance of title to Sales Parcel or possession thereof to the Developer in the manner and condition, and within the established time therefor in the Schedule of Performance and such failure is not be cured within thirty (30) days after the date of written demand by the Developer; or

g. the City fails, despite commercially reasonable efforts, to timely perform any other material obligation of the development as required under this Agreement and such failure is not cured within thirty (30) days after the date of written demand by the Developer, then this Agreement may, at the option of the Developer, be terminated by giving written notice thereof to the City, and except to the extent provided in the Method of Financing (Attachment No. 2), neither the City nor the Developer nor any successor in interest shall have any further rights against or liability to the other under this Agreement with respect to the Site, other than the disposition of the Good Faith Deposit which shall be disposed of in accordance with Section C of the Method of Financing (Attachment No. 2).
2. [§511] Termination by City

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

a. the Developer shall fail to deliver to the City any submission of evidence of financing commitments referred to in Section 214 of this Agreement with respect to the Site within the times established therefor in the Schedule of Performance (Attachment No. 3); or

b. the Developer (or any successor in interest), in violation of the provisions of this Agreement, assigns or attempts to assign the Agreement or any right herein, or in the Site (or portion thereof); or

c. there is a substantial change in the ownership of the Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of Sections 107 and 108 hereof; or

d. the Developer does not deliver any submission of plans, drawings, and related documents as required by this Agreement by the dates respectively provided in this Agreement without the advance written consent of the City; or

e. the Developer does not pay the purchase price and take title and possession to the Sales Parcel by the date provided therefor in the Schedule of Performance (Attachment No. 3), under a tender of conveyance by the City pursuant to this Agreement; or

f. the Developer is unable, despite commercially reasonable efforts, to obtain prior to the date established in this Agreement for conveyance of the Site, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the City:

i) final discretionary permits and/or approvals required for the development of the Site by the City or any other governmental entity having applicable jurisdiction; or

ii) all utility permits including any applicable sewer and water permits; or

iii) building permits; or

g. the Developer is unable, despite commercially reasonable efforts, and within the time established respectively therefor in the Schedule of
Performance, to obtain approval from the City any Preliminary Subdivision Map or Final Subdivision Map required by the City, if any, with respect to the parcels comprising the Site, as referred to as Subdivision Maps in Section 703 of this Agreement; or

h. the Developer fails to timely perform any other material obligation of the development of the Site as required under this Agreement, and any such default(s) or failure(s) referred to in subdivisions (a) through (h) of this Section shall not be cured within thirty (30) days after the date of written demand by the City,

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

G. [§512] Right of Re-Entry

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

(a) fail to commence construction of the Improvements as required by this Agreement for a period of thirty (30) days after title and/or possession of the Sales Parcel has been conveyed to the Developer, provided that the Developer has not obtained an extension or postponement of time pursuant to Section 604 hereof; or

(b) abandon or substantially suspend construction of the Improvements for a period of three (3) consecutive months after written notice of such abandonment or suspension has been given by the City to the Developer, provided Developer has not obtained an extension or postponement of time pursuant to Section 604 hereof; or

(c) assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this Agreement, and such violation shall not be cured within thirty (30) days after the date of receipt of written notice thereof by the City to the Developer.
Such right to re-enter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(a) any mortgage, deed of trust, or other security interests permitted by this Agreement with respect to the Site (or applicable portion thereof); or

(b) any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests.

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

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

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

Upon such resale of the Sales Parcel, or any part thereof, the proceeds thereof shall be applied:

(a) first, to reimburse the City on its own behalf or on behalf of the City, all reasonable costs and expenses incurred by the City, including but not limited to fees of consultants engaged in connection with the recapture, management, and resale of the Sales Parcel, or applicable part thereof (but less any income derived by the City from the sale of the Sales Parcel, or applicable part thereof, in connection with such management); all taxes, assessments and water and sewer charges with respect to the Sales Parcel, or applicable part thereof (or, in the event the Site, or part thereof, is exempt from taxation or assessment or such charges during the period of City ownership, then such taxes, assessments, or charges, as would have been payable if the Site, or applicable part thereof, was not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to
obligations, defaults, or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or part thereof on the Sales Parcel, or applicable part thereof; and any amounts otherwise owing to the City by the Developer and its successor or transferee; and

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

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

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

VI. [§ 600] GENERAL PROVISIONS

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

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

B. [§ 602] Conflicts of Interest

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

The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than as specified in Section 607.
C.  [§ 603] Nonliability of City Officials and Employees

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

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

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

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

E.  [§ 605] Inspection of Books and Records

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

F.  [§ 606] Approvals

Except where this Agreement expressly provides for an approval of either party in its sole discretion, approvals required of the City or the Developer shall not be unreasonably withheld.
G. **§ 607**  
**Real Estate Commissions**

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

H. **§ 608**  
**Attorneys’ Fees**

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

VII. **§ 700**  
**SPECIAL PROVISIONS**

A. **§ 701**  
**Employment and Training Agreement**

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

B. **§ 702**  
**Tenant/Buyer Review and Approval**

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

C. **§ 703**  
**Subdivision Maps**

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

D. [§ 704] Landscape Maintenance Assessment

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

E. [§ 705] Assessment District

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

F. [§ 706] Reciprocal Easement Agreements

[Reserved]

G. [§ 707] Employment and Training Requirements

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

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

Moreover, and notwithstanding anything contained in this Agreement and the Attachments to the contrary, the Developer, for itself as well as any and all successors-in-interest to the Site, hereby acknowledge and agree that City participation is predicated upon the development of the Site by the Developer and the continued operation of the Site and all portions thereof, remaining on the Los Angeles County Property Tax Rolls during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the City to the Developer pursuant to Section 324 of this Agreement, whichever is longer (the “Effective Period”), and that neither it nor any of its successors-in-interest to the Site, or any portion thereof, shall remove or cause the removal of the Site or any portion thereof, from the Los Angeles County Property Tax Rolls during the Effective Period except in the event of a purchase of the Site or any portion thereof, pursuant to an eminent domain case filed against the Site. In the event of such removal in violation of this Section 708, the Developer, any and all successors-in-interest to the Site (as applicable), shall be fully responsible for the payment of the “Additional Purchase Price” as set forth in the Grant Deed (Attachment No. 5) and Agreement Containing Covenants Affecting Real Property (Attachment No. 7).
I. [§ 709] Agreement Containing Covenants Affecting Real Property

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

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

This Agreement shall be executed in five duplicate originals each of which is deemed to be an original. This Agreement includes forty-four (44) pages and eight (8) attachments which constitute the entire understanding and agreement of the parties.

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

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

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

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

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

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

Dated: ____________________
By: _________________________
Mayor

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 ________________, 2012.

CAL P. SAUNDERS
City Attorney

By: _________________________
Cal P. Saunders

APPROVED:

KANE, BALLMER AND BERKMAN
Special Counsel

By: _________________________
Royce K. Jones
ATTEST:

CITY CLERK

By: _________________________

Yvonne Horton
### Project Budget

#### Land Area

<table>
<thead>
<tr>
<th>acres</th>
<th>square feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.70</td>
<td>117,612</td>
</tr>
</tbody>
</table>

#### SITE WORK CONSTRUCTION COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (per acre)</th>
<th>Additional Cost (sq ft)</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Grading</td>
<td>$10,000</td>
<td></td>
<td>27,000</td>
</tr>
<tr>
<td>Site Utilities</td>
<td>$37,000</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td>Fill / Removal of non-compactable soil &amp; fill with compactable</td>
<td></td>
<td></td>
<td>30,000</td>
</tr>
<tr>
<td>Site Paving</td>
<td>$3.00</td>
<td></td>
<td>352,836</td>
</tr>
<tr>
<td>Lighting</td>
<td></td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td>Landscaping</td>
<td></td>
<td></td>
<td>90,000</td>
</tr>
<tr>
<td>Curbs, Gutters</td>
<td></td>
<td></td>
<td>80,000</td>
</tr>
<tr>
<td>Fencing</td>
<td></td>
<td></td>
<td>25,000</td>
</tr>
<tr>
<td>Signage</td>
<td></td>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td>Offsite Development - Water / Sewer</td>
<td></td>
<td></td>
<td>60,000</td>
</tr>
<tr>
<td>Offsite Development - Storm Drainage</td>
<td></td>
<td></td>
<td>30,000</td>
</tr>
<tr>
<td>Offsite Development - Other</td>
<td></td>
<td>sidewalks</td>
<td>80,000</td>
</tr>
<tr>
<td>Contractor's Bond</td>
<td>1.50% of site work</td>
<td></td>
<td>16,348</td>
</tr>
<tr>
<td>Contractor's Overhead &amp; Profit</td>
<td>15.00% of site work</td>
<td></td>
<td>160,475</td>
</tr>
<tr>
<td>Site Work Contingency</td>
<td>10.00% of site work</td>
<td></td>
<td>106,964</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td>$1,353,343</td>
</tr>
</tbody>
</table>

#### BUILDING CONSTRUCTION COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (square feet)</th>
<th>Additional Cost (SF)</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Construction</td>
<td>10,000</td>
<td>@ $125</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Mechanical &amp; Electrical &amp; HVAC</td>
<td></td>
<td></td>
<td>125,000</td>
</tr>
<tr>
<td>Tenant Finish - Showrooms, Offices &amp; Service</td>
<td>SF</td>
<td></td>
<td>90,000</td>
</tr>
<tr>
<td>Other Construction</td>
<td>SF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Builders Risk insurance</td>
<td></td>
<td>Included in the above</td>
<td></td>
</tr>
<tr>
<td>Landscaping</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent signage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary Signage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractor's Bond</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Conditions</td>
<td>1.50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractor Overhead &amp; Profit</td>
<td>15.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>10.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Permits - Building, Electrical, Utility, etc</td>
<td></td>
<td></td>
<td>95,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td>$1,670,000</td>
</tr>
</tbody>
</table>

#### DESIGN & ENGINEERING COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Additional Cost</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>20,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscape Design</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allow for Other Design &amp; Engineering</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other - Design &amp; Engineering - Mechanical &amp; Electrical</td>
<td>12,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material Testing</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td>$70,000</td>
</tr>
</tbody>
</table>

#### OTHER DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Additional Cost</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blueprints &amp; Copies</td>
<td>750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Progress Photos</td>
<td>250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Fee - Design &amp; Soft Costs</td>
<td>55,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misc Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td>$56,000</td>
</tr>
</tbody>
</table>

#### TOTAL DEVELOPMENT COSTS (before land cost)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Additional Cost</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL DEVELOPMENT COSTS</strong></td>
<td></td>
<td></td>
<td>$3,049,343</td>
</tr>
</tbody>
</table>

\[
\text{Land Area} = 2.70 \text{ acres} \times 117,612 = 317,848 \text{ square feet}
\]

\[
\text{SITE WORK CONSTRUCTION COSTS Subtotal} = 27,000 + 100,000 + 30,000 + 352,836 + 150,000 + 90,000 + 25,000 + 45,000 + 60,000 + 30,000 + 80,000 + 16,348 + 160,475 + 106,964 = 1,353,343
\]

\[
\text{BUILDING CONSTRUCTION COSTS Subtotal} = 1,250,000 + 125,000 + 90,000 + 0 + 5,000 + 5,000 + 0 + 16,348 + 160,475 + 106,964 + 95,000 = 1,670,000
\]

\[
\text{DESIGN & ENGINEERING COSTS Subtotal} = 20,000 + 6,000 + 5,000 + 25,000 + 12,000 + 2,000 = 70,000
\]

\[
\text{OTHER DEVELOPMENT COSTS Subtotal} = 750 + 250 + 55,000 = 56,000
\]

\[
\text{TOTAL DEVELOPMENT COSTS (before land cost)} = 3,049,343
\]
ATTACHMENT NO. 2

METHOD OF FINANCING

I. DEVELOPER'S PURCHASE PRICE

A. Amount of Purchase Price

The Developer shall pay to the City a purchase price for the Sales Parcel in the amount of One Million Three Hundred Thousand Dollars ($1,300,000) (the "Purchase Price").

B. Payment of Purchase Price for the Sales Parcel

The Purchase Price to be paid for by the Developer for the Sales Parcel shall be deposited into the escrow (Section 200 of the Agreement) within the time and in the manner required by the Schedule of Performance (Attachment No. 3), to be disbursed to the City upon the conveyance of title or possession of the Sales Parcel to the Developer.

II. EXCESS PURCHASE PRICE

Moreover, notwithstanding anything contained herein to the contrary, in the event that in violation of the Agreement, the Developer assigns the Agreement or any of the rights therein, or does sell, transfer, convey or assign any part of the Sales Parcel or the buildings or structures thereon prior to the issuance of the Release of Construction Covenants, the City shall be entitled to the "Excess Purchase Price" (as defined in Section 108 of the Agreement) and until paid, shall have a lien on the Site and any portion thereof, in the amount of the Excess Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to develop the Site (or portion thereof) as authorized in the Agreement.

III. ADDITIONAL PURCHASE PRICE

Moreover, notwithstanding anything contained herein to the contrary, the Developer acknowledges and agrees that the development and private ownership of the Site is essential to the effective redevelopment and financing of redevelopment activity within the Project Area. As such, the Developer hereby agrees on behalf of itself and any successors-in-interest of the Site, that upon the sale of the Site or any portion thereof, resulting in the removal of the Site or any portion thereof, from the Los Angeles County property tax roll, an "Additional Purchase Price" shall be fully due and payable to the City by the Developer or its successor-in-interest upon the close of escrow of such sale in accordance with Section 708 of the Agreement and Paragraph 4(b) of the Grant Deed (Attachment No. 5) and Paragraph 3(b) of the Agreement Containing Covenants Affecting Real Property (Attachment No. 7). Until paid in full, the City shall have a lien on the Site and/or the applicable portion thereof,
in the entire amount of the Additional Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized in the Agreement.

III. PUBLIC FINANCING

The City shall have no responsibility (financial or otherwise) for construction and development of any of the improvements on the Site. Nor shall the City have any responsibility (financial or otherwise) for the installation of any public improvements required as part of the development of the Site. All such

IV. DEVELOPER'S GOOD FAITH DEPOSIT

The Developer shall deposit with the City within five (5) days following written notice from the City indicating that it has approved the Agreement, the sum of Fifty Thousand Dollars ($50,000) as a good faith deposit (the "Deposit"). The Deposit shall be fully refundable to the Developer or, at the discretion of the Developer, applied towards the Basic Purchase Price of the Site upon the conveyance of the Site to the Developer by the City. However, notwithstanding anything contained herein and in the Agreement to the contrary, in the event the Agreement is terminated prior to the time for the conveyance of the Site to the Developer by the City as established in the Schedule of Performance, Attachment No. 3 of the Agreement, and the Developer is not in default of the Agreement at such time of the subject termination, then $25,000 of the Deposit shall be retained by the City and applied towards various City costs (regardless of the actual amount of such costs) with the remaining $25,000 returned or refunded to the Developer within forty-five (45) days following the termination date of the Agreement. Interest on the returned amount of the Deposit shall only be payable by the City to the extent and rate that interest was paid and received by the City on the Deposit.

In the event of a termination of the Agreement prior to the time for the conveyance of the Site to the Developer by the City as established in the Schedule of Performance, Attachment No. 3 of the Agreement, and the Developer is in default of the Agreement at the time of such termination, then the City shall be entitled to and shall retain the entire amount of the Deposit, and the City shall be entitled to pursue any and all additional remedies set forth in Section 500 et seq., of the Agreement. Notwithstanding the foregoing, in the event of an award of monetary damages to the City due to a Developer default, the entire amount of the Deposit shall be credited against such damages. However, under no circumstances shall any portion of the Deposit be returned to the Developer in the event of a Developer default.

In the event of a termination of the Agreement prior to the time established in the Schedule of Performance, Attachment No. 3 of the Agreement, for the conveyance of the Site to the Developer by the City, and the City is in default of the Agreement at the time of such termination, then the entire amount of the Deposit shall be returned or refunded to the Developer within forty-five (45) days following the termination date of the Agreement, and the Developer shall be entitled to pursue any and all additional remedies set forth in Section 500 et seq., of the Agreement.
The City shall be under no obligation to pay or earn interest on the Deposit. However, any interest accrued, earned or paid thereon shall be payable to the Developer along with the Deposit.

Both the City and the Developer acknowledge the following:


City's Initials __________  Developer's Initials __________
I. GENERAL PROVISIONS

1. **Execution of Agreement by City.** City shall hold a public hearing on the Agreement, shall authorize execution and execute the Agreement and shall deliver the Agreement to Developer. Within sixty (60) days after the Agreement is executed by Developer and submitted to City.

2. **Submission - Architect, Landscape Architect and Civil Engineer.** Developer shall submit to City for approval of the names and qualifications of its Architect, Landscape Architect, and Civil Engineer. Within sixty (60) days after the Agreement is executed by Developer and submitted to City.

3. **Approval - Architect, Landscape Architect and Civil Engineer.** City shall approve or disapprove the Architect, Landscape Architect, and Civil Engineer. Within thirty (30) days after receipt by the City.

4. **Submission - Basic Concept Drawings.** Developer shall prepare and submit to City for approval the Basic Concept Drawings and related documents for the Site. Prior to or concurrent with execution of the Agreement by the Developer.

5. **Approval - Basic Concept Drawings.** City shall approve or disapprove Basic Concept Drawings and related documents for the Site. Within thirty (30) days after receipt by the City.

6. **Delivery of Good Faith Deposit.** Developer shall deliver to City its good faith deposit in the amount and form required by Section B. of the Method of Financing (Attachment No. 2). Within five (5) days following written notice from the City that it has approved the Agreement.

7. **Access for Soils Investigation.** City shall provide Developer with access to the Site for soils investigations pursuant to Section 212 of the Agreement. Within five (5) days after written request from the Developer.
8. **Determination of Soil Conditions.** Developer shall commence preliminary work to determine whether the soil conditions on the Site are suitable for the development thereon pursuant to Section 214 of the Agreement.

II. **PREDEVELOPMENT ACTIVITIES**

1. **Submission - Preliminary Subdivision Map.** Developer shall commence and diligently attempt to obtain approval from the City of the Preliminary Subdivision Maps with respect to the Site.

III. **CONVEYANCE AND CONSTRUCTION**

1. **Submission - Schematic/Design Development Drawings.** Developer shall prepare and submit to City the Schematic/Design Development Drawings for the Site.

2. **Approval - Schematic/Design Drawings.** City shall approve or disapprove the Schematic/Design Development Drawings for the Site.

3. **Submission - Preliminary Construction Drawings, and Preliminary Landscaping and Grading Plans.** Developer shall prepare and submit to City the Preliminary Construction Drawings and Preliminary Landscaping and Grading Plans for the Site.

4. **Approval - Preliminary Construction Drawings, and Preliminary Landscaping and Grading Plans.** City shall approve or disapprove the Preliminary Construction Drawings and Preliminary Landscaping and Grading Plans for the Site.
5. **Submission - 50% Final Construction Drawings and Landscaping and Finish Grading Plans.** Developer shall prepare and submit to City 50% Final Construction Drawings and Landscaping and Finish Grading Plans for the Site. Within forty-five (45) days after City approval of the Preliminary Construction Drawings.

6. **Approval - 50% Final Construction Drawings and Landscaping and Finish Grading Plans.** City shall approve or disapprove the 50% Final Construction Drawings and Landscaping and Finish Grading Plans for the Site. Within thirty (30) days after receipt by City.

7. **Submission - Final Construction Drawings and Landscaping and Finish Grading Plans.** Developer shall prepare and submit the Final Construction Drawings and Specifications and the Final Landscaping and Finish Grading Plans for the Site. Within sixty (60) days after City approval of the 50% Final Construction Drawings.

8. **Approval - Final Construction Drawings and Landscaping and Finish Grading Plans.** City shall approve or disapprove the Final Construction Drawings and Specifications and the Final Landscaping and Finish Grading Plans for the Site. Within thirty days after receipt by City, but in any event prior to conveyance of title or possession of the Sales Parcel.

9. **Evidence of Financing.** Developer shall submit to City Developer's first submission of evidence of financing referred to in Section 215 of the Agreement with respect to the Site. At least sixty (60) days prior to the date established herein for the conveyance of title or possession of the Sales Parcel to Developer. Any additional submission shall be made within thirty (30) days following City written notice to Developer that an additional submission is required.
Developers shall submit to City Developer's second submission of evidence of financing referred to in Section 215 of the Agreement with respect to the Site.

At least fifteen (15) days prior to the date established herein for the conveyance of title or possession of the Site to Developer. Any additional submission shall be made within thirty (30) days following City written notice to Developer that an additional submission is required.

10. **Approval of Financing.** City shall approve or disapprove each submission of Developer's evidence of financing with respect to the Site, and shall so notify Developer.

With respect to the first submission, within ten (10) business days after receipt of such submission by City.

With respect to the second submission, within five (5) business days following receipt of the submission by the City, but in any event prior to the conveyance of title or possession of the Site to the Developer.

11. **Opening of Escrow.** City shall open an escrow for conveyance of the Sales Parcel.

At least thirty (30) days prior to the date established herein for conveyance of title or possession of the Sales Parcel to Developer.

12. **Conveyance of Title.** City shall convey title and/or possession to Developer, and Developer shall accept such conveyance, with respect to the Sales Parcel.

Within ten (10) business days after City issuance of a final grading permit and approval of the Final Construction Drawings by the City, whichever is later.

13. **Commencement of Construction.** Developer shall commence grading on the Site.

Within thirty (30) days after conveyance by the City of title and/or possession to Developer of the Sales Parcel and issuance of the necessary permits, but in no event longer than sixty (60) days following conveyance of title and possession of the Sales Parcel.

14. **Commencement of Construction of Public Improvements.**

Concurrently with the commencement of construction as set forth above.
15. **Completion of Construction.** Developer shall complete construction of the improvements on the Site. Within twenty-four (24) months after conveyance of title or possession of the Sales Parcel to Developer.

16. **Tentative Subdivision Map.** To the extent required by the City, Developer shall commence and diligently attempt to obtain approval from the City of the Tentative Subdivision Map for the development of the Site. On or before the conveyance of the Sales Parcel to the Developer by the City.

17. **Final Subdivision Map.** To the extent required by the City, Developer shall commence and diligently attempt to obtain approval from the City of the Final Subdivision Map for the development of the Site, which shall be recorded. Prior to the issuance by the City of a Certificate of Occupancy for any use to be operated upon the Site, or any portion thereof.
ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The “Site” is comprised of certain parcels of City-owned real property consisting of approximately 2.72 acres (the “Sales Parcel”) and certain parcels of Developer-owned real property consisting of approximately 1.57 acres (the “Participating Parcel”), all of which located within the City of Inglewood. Both the Sales Parcel and the Participating Parcel are referred to herein as the “Site”. The total size of the Site (or the combined size of the Sales Parcel and the Participating Parcel) is approximately 4.29 acres. The Site is currently zoned as C-3 and M-1 and shall be developed by the Developer as an automobile sales and retail center (the “Project”). The Project consists of the development and redevelopment of certain improvements on land area of approximately 186,872 square feet (or about 4.29 acres) which will include an automobile sales and retail center for the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square 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 (collectively, the “Improvements”). All of the Improvements to be constructed and developed on the Site by the Developer shall be of high architectural quality, well landscaped, and effectively and aesthetically designed. The shape, scale, exterior design, and exterior finish of the improvements to be developed on the Site must be consonant with, visually as well as physically related to, and an enhancement to the adjacent residential neighborhood.

The Developer’s plans, drawings and proposals submitted to the City for approval shall describe in reasonable detail the architectural character intended for the improvements. The total development of the Site shall be in conformity with the Redevelopment Plan. The provisions, design criteria, and property development standards set forth in this Scope of Development apply to the Site, except where specifically indicated otherwise.

II. DEVELOPER IMPROVEMENTS

A. General

The Developer shall develop on the Site an approximately 186,872 square feet (or about 4.29 acres) of automobile sales and retail center as more specifically described above. However, notwithstanding anything contained herein to the contrary, should the Developer, despite its diligent and good faith efforts, not be able to obtain the necessary entitlements from the City to construct the approximate amount of square footage contemplated herein, the Developer shall construct on the Site the maximum amount of square footage permitted by the City. The Improvements to be developed on the Site shall be of high architectural quality with landscaped areas effectively and aesthetically...
designed. The Improvements shall also be developed in accordance with all applicable zoning and other land use regulations.

B. Site Improvements

The Developer shall be responsible for construction of all site improvements listed below to the specifications and acceptance of the City consistent with the approved Basic Concept Drawings. The Improvements shall include, but not be limited to:

1. Site

   Landscaping and Irrigation system
   Earthwork (Preliminary and Finish Grading)
   Perimeter and interior fencing, if desired by the Developer

2. Sewer (On-Site) and Connections to the Sewer in the Public Right-of-Way

3. Water

   On-site fire protection mains and domestic service including meters and connection thereof to water lines in the public right-of-way, as required by the City.

4. Private Storm Drain System (On-Site), if an additional system is required by the City of Inglewood.

5. Utilities

   On-Site electric power, gas, telephone and other utility requirements of the development, and any extraordinary off-site utility requirements of the development.

All Improvements and related items shall be performed in accordance with all technical specifications, standards, and practices of the City of Inglewood along with all applicable building codes. The Developer's plans for such improvements shall be submitted to the City for review and approval (or disapproval) prior to advertising for bids.

C. Urban Design Standards, Controls and Restrictions

Standards, controls and restrictions regarding construction and development, including, but not limited to, maximum land coverage, setbacks and building construction shall be in accordance with applicable City Codes, as amended from time to time.
All on-site and off-site elements shall be subject to design review by the City in accordance with the procedures set forth in this Agreement. The Developer shall conform to the following standards of design in establishing the urban design concept, architectural and landscaping features for the Site.

The City's approval of the Final Construction Drawings and Landscaping and Finish Grading Plans shall be deemed to be an acknowledgment of compliance with the design standards and limitations contained in this Section C.

1. **Architectural Standards**

   The architecture of all structures shall maintain a high quality of architectural design and establish visual continuity with existing and proposed developments within the Redevelopment Project area.

   (a) **Form and Scale**

   The structures on the Site shall combine a form and scale which are compatible with the adjoining land uses, and the street environment.

   (b) **Street Level Design**

   The facades as seen from the street shall be such that the shape, exterior design and exterior finish of the structures are consonant with and visually related to each other and compatible with any similar surrounding developments.

   (c) **Building Materials**

   Building materials of a high quality expressing the character of Inglewood's physical environment and climate shall be used in all buildings and structures developed on the Site. Other materials may also be considered, excluding corrugated aluminum and iron.

   (d) **Energy Considerations**

   Energy efficient features shall be incorporated into the design of the development including passive energy conservation methods. The Developer will be required to demonstrate consideration of energy features as a part of the design review process.
(c) **Refuse Containers**

Refuse containers shall be screened from public view with fencing and landscaping.

(f) **Signs**

All public signs on the exteriors of buildings and structures are of special concern to the City. All signs must be approved by the City and must comply with applicable City Codes.

(g) **Outdoor Storage**

No material, equipment, supplies or products shall be stored or permitted to remain outside on the Site unless prior written approval is obtained from the City. If any outdoor storage is allowed, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

(h) **Graffiti**

The Developer shall design the developments so as to discourage graffiti problems, and to establish a maintenance program for graffiti removal if the development is subjected to graffiti. All graffiti on the Site shall be removed by the Developer within two (2) business days after application.

2. **Siting and Land Use Standards**

(a) **Structure Locations**

The location of the structures shall relate to and take advantage of the developments surrounding the Site. Special attention shall be placed on designing the structures so as not to have a negative impact on the area in general.

(b) **Structure Heights**

The height of all structures developed on the Site shall be in accordance with applicable City Codes.

Attachment No. 4
Page 4 of 10
(c) **Noise**

All buildings and structures on the Site shall be located so as to minimize the noise impact on adjacent areas. Loading facilities and other similar activities shall be designed with this concern in mind.

3. **Streetscape Design Standards**

(a) **Landscaping**

Developer shall provide and maintain landscaping within public rights-of-way between the property line of each building lot and the curb line of adjacent streets. All landscaping shall be integrated with the existing landscaping for adjacent sites in the Project Area and consistent with the requirements of applicable City Codes. Landscaping includes such materials as paving, trees, shrubs, and other plant materials, landscape containers, top soil, soil preparation, automatic irrigation, and landscape and pedestrian lighting.

Landscaping shall carry out the objectives and principles of the City's desire to accomplish an aesthetically pleasing environment.

(b) **Vehicle Access**

Driveways and parking lots shall be coordinated with the design of pedestrian access. Truck parking and loading shall be limited to the Site.

(c) **Pedestrian Access**

The Site shall be developed such that pedestrian access is provided to the Site.

(d) **Utilities**

The Developer shall be responsible for all on-site utility installations and connections necessary or appropriate to develop the Site. Such utilities shall include but not be limited to the bringing of sanitary sewers, curb inlets, certain channel connections and headwall (not the responsibility of the City), sewer mains, water mains, manholes, sewer laterals, water laterals, gate valves, fire hydrants, electrical power, water supply, telephone, and gas facilities, all as required by Attachment No. 4.
the City and for the development of the Site by the Developer. All utility services shall be underground or concealed within buildings to the extent permitted by appropriate utility companies and utility districts. No mechanical equipment or meters shall be left exposed in yard areas or on roofs.

(e) Views

All Improvements shall be sited to minimize the impact of the buildings and structures on the views of existing structures surrounding the Site. Special attention shall be placed on minimizing the impact on the adjacent area.

(f) Building Coverage

Minimum building setbacks shall be in conformance with applicable City Codes and Basic Concept Drawings approved by the City.

(g) Open Space

The Site shall satisfy all open space requirements of the City of Inglewood for standard auto center and retail-related developments.

(h) Rooftops

Exposed duct work for heating and cooling and all mechanical equipment and other roof structures on all buildings and structures on the Site whose roof area is visible from surrounding structures or proposed structures, pedestrian ways, streets, etc., shall be screened from the direct view of such surrounding structures in a manner approved by the City. Nothing contained in this paragraph or the Agreement shall be construed to require Developer to install any air conditioning units, evaporative coolers or other cooling equipment.

(i) Parking Location

Except as otherwise provided herein, all parking for the development shall be located within the boundaries of the Site.
(j) Lighting

Street, parking lot and pedestrian lighting shall be provided in accordance with standards established by the City. All lighting shall be shaded so as to minimize the impact upon the adjacent area.

(k) Handicap Access

Developer shall design and construct all of the Improvements on the Site in compliance with all laws with respect to ingress and egress access ways for handicapped persons, as required by applicable codes.

(l) Public Improvement Repair

The Developer shall make all street repairs caused by the development of the Improvements on the Site. All such repairs shall be at the Developer's expense and shall be constructed in accordance with the technical specifications, standards, and practices of the City.

(m) Construction

During construction of the Improvements on the Site, the Developer shall take all reasonable precautions to minimize dust and disturbance to adjacent properties caused by such construction. The Developer shall work normal working hours in accordance with applicable City codes and regulations.

D. Removal and/or Remedy of Soil and/or Water Contamination

Following the conveyance of the Site to the Developer by the City and subject to remediation obligations of the City, if any, as provided in Section 212 of the Agreement, the Developer shall (at its own cost and expense) remove and/or otherwise remedy as required by all applicable laws, implementing rules and regulations, and in a manner sufficiently to adequately protect the public health and safety (including the health and safety of occupants of the Site and adjacent properties), any and all contaminated or hazardous soil and/or water conditions on the Site. Such work shall include without limitation the following:

a. Remove (and dispose of) and/or treat any contaminated soil and/or water on the Site (and adjacent public rights of way which the Developer is required to improve) as necessary to comply with applicable governmental standards and requirements.
b. Design and construct all improvements on the Site in a manner which will assure protection of occupants and all improvements from any contamination, whether in vapor or other form, and/or from the direct and indirect effects thereof.

c. Prepare a site safety plan and submit it to the appropriate governmental and other authorities for approval in connection with obtaining a building permit for the construction of improvements on the Site. Such site safety plan shall assure workers and other visitors to the Site of protection from any health and safety hazards during development and construction of the improvements. Such site safety plan shall include monitoring and appropriate protective action against vapors and/or the effect thereof.

d. Obtain from the County of Los Angeles and/or California Regional Water Quality Control Board and/or any other authorities required by law any permits or other approvals required in connection with the removal and/or remedy of soil and/or water contamination, in connection with the development and construction on the Site.

The Developer agrees that the City, and its consultants and agents, shall have the right (but not the obligation) to enter upon the Site at any time to monitor the excavation and construction on the Site and each parcel thereof, to test the soils and/or water on the Site, and to take such other actions as may be reasonably necessary to assure compliance with this Section D of the Scope of Development (Attachment No. 4). Nothing herein (including without limitation the City's right to inspect) shall be construed to make the City or its officers, employees, contractors and agents liable for the responsibilities under Section 216 of the Disposition and Development Agreement (the "Agreement") and this Section D. However, notwithstanding the foregoing sentence, in no event shall the above sentence be construed by any of the parties to the Agreement so as to preclude the Developer from asserting any rights or claims it may have against any prior owner of the Site (other than the City) relative to the clean-up and/or remediation of any hazardous material on the Site pursuant to this Section D and Section 216 of the Agreement.

E. Equal Opportunity Program

a. Non-discrimination Clause

The Developer shall not discriminate against any employee or applicant for employment on any basis prohibited by law. The Developer shall provide equal opportunity in all employment practices. The Developer shall ensure

Attachment No. 4
Page 8 of 10
that their subcontractors comply with the City of Inglewood's "Equal Employment Opportunity Program" as set forth in the City of Inglewood Municipal Code.

b. **Equal Employment Opportunity**

The Developer has received, read, understands and agrees to be bound by the "Equal Employment Opportunity Program and all policies and procedures implementing the Program, contained in the Equal Employment Opportunity Packet provided by the City.

c. The Developer acknowledges receipt of the Employment and Training Requirements attached to the Agreement as Attachment No. 6.

III. **DEVELOPER PUBLIC IMPROVEMENTS**

The Developer shall be responsible for the financing and constructing of all of the on-site and off-site public improvements necessary for the development of the Improvements on the Site (the APublic Improvements®). The Public Improvements shall be constructed and developed in accordance with plans reviewed and approved by the City and the City, as appropriate.

IV. **CITY OBLIGATIONS**

The City shall have no obligation (financially or otherwise) with respect to the construction and development of the Improvements on the Site.

V. **EASEMENTS**

The City and the Developer shall grant and permit all necessary and appropriate easements and rights for the development of the Site including, but not limited to, easements and rights of vehicular access, pedestrian access and all utility services on such terms and conditions as City and Developer may agree.

VII. **ENVIRONMENTAL REVIEW**

The City shall be responsible for causing the preparation of all environmental review and documents necessary for the development of the Site. In addition, the City shall be responsible for certification of any environmental documents in connection with the approval of the development provided for herein. However, notwithstanding the foregoing, the Developer shall be responsible for the payment of all such environmental costs and shall also be responsible for preparing any and all supplemental environmental documents required to carry out the Agreement subsequent to the approval of the Final Map for the development of the Site. The Developer agrees to cooperate with
the City in the preparation of any such environmental and/or environmental-related documents and shall fully comply with all mitigation measures set forth therein.
EXHIBIT 1

SITE PLAN
[To be Added]
Establishment of a new automobile dealership comprised of new construction of a one-story 10,375 square-foot building and an existing new automobile dealership comprised of a one-story 20,400 square-foot building used as an automobile showroom and offices and a 15,197 one-story square-foot building used for automobile service and repair on an approximately 4.32 acre C-3 (Heavy Commercial) and M-1 (Light Manufacturing) site comprised of 11 parcels.

308 HINDRY AVE (APN 4126-008-005), No Address Available (APN 4126-008-006),
324 HINDRY AVE (APN 4126-008-007), 916 W OLIVE ST (APN 4126-008-901),
912 W OLIVE ST (APN 4126-008-902), 900 W OLIVE ST (APN 4126-008-904),
327 S GLASGOW AVE (APN 4126-008-905), 347 S GLASGOW AVE (APN 4126-008-906),
920 W OLIVE ST (APN 4126-008-907), 315 S GLASGOW AVE (APN 4126-008-908), and
343 S GLASGOW AVE (APN 4126-008-909)
ATTACHMENT NO. 5

Recording Requested by:

CITY OF INGLEWOOD

When Recorded Return to and
Mail Tax Statements to:


g

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
</tbody>
</table>

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged the CITY OF INGLEWOOD, the State of California, herein called "Grantor," acting to carry out the Redevelopment Plan for the Merged Inglewood Redevelopment Project Area (La Cienega Sub-area) (the "Project Area") herein called "Redevelopment Plan," under the Community Redevelopment Law of the State of California, hereby grants to K.P. AUTO CENTER, L.P., a California Limited Partnership, herein called "Grantee," the real property hereinafter referred to as the "Property," described in the document attached hereto, labeled Exhibit "A" and incorporated herein by this reference.

(1) Grantor excepts and reserves any existing street, proposed street, or portion of any street or proposed street lying outside the boundaries of the Property which might otherwise pass with a conveyance of the Property.

(2) Said Property is conveyed in accordance with and subject to the Redevelopment Plan for the Merged Inglewood Redevelopment Project which was approved and adopted on February 26, 2002 by Ordinance Nos. 02-07, 02-08, 02-09 and 02-10 of the City Council of the City of Inglewood, and the Disposition and Development Agreement (the "Agreement") entered into by and between Grantor and Grantee on _______ both of which documents are public records on file in the offices of the City Clerk of the City of Inglewood and the Secretary of Grantor, and are by reference thereto incorporated herein as though fully set forth herein.

(3) The Property is conveyed to Grantee at a purchase price herein called "Purchase Price," determined in accordance with the uses permitted. Therefore, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee, such successors and such assigns, shall develop, maintain, and use the Property only as follows:
The Property shall be devoted only to the development permitted and the uses specified in the applicable provisions of the Redevelopment Plan and this Grant Deed, whichever document is more restrictive.

There shall be constructed upon the Property and the contiguous real property hereinbelow described in paragraph (3)(d), approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square 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 plans and specifications prepared by the Grantee and approved by the Grantor.

During construction and thereafter, Grantee shall maintain the improvements on the Property and in the public rights-of-way (curb to property line) on all sides of the Property and shall keep the Property and such public rights-of-way free from any accumulation of debris or waste materials. During construction and thereafter, Grantee shall also maintain the required landscaping on the Property and in such public rights-of-way in a healthy condition.

The Property shall only be developed and used as specifically set forth herein and in conjunction with that certain contiguous real property presently owned by the Grantee in the City of Inglewood, County of Los Angeles, State of California legally described in the attached Exhibit "B". However, notwithstanding anything contained in this Grant Deed to the contrary, the development and use restrictions established by this Paragraph 3(d) shall remain in effect during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance by Grantor to Grantee of the Release of Construction Covenants provided for in Section 324 of the Agreement, whichever is sooner.

Grantee and all persons claiming under or through them, including without limitation tenants, lessees, subtenants, sublessees and any other operator of a business on the Property, or any portion thereof, shall comply with the Employment and Training Requirements (the "Job Training Program") which attached to the Agreement as Attachment No. 6 and fully incorporated herein by this reference.

Grantee shall not store any materials, equipment, supplies or products outside the buildings and structures developed on the Property unless prior written approval is obtained from the City. If any outdoor storage is approved, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

The Property is also conveyed to Grantee by virtue of substantial public aids that have been made available by law for the specific purpose of redeveloping the Property (and the contiguous real property referred to in paragraph (3) (d) above), including without
limitation the use and/or pledge of expected receipts of ad valorem property tax revenues allocated to the City pursuant to Article XVI, Section 16 of the California Constitution and Health & Safety Code §§ 33670 et seq. Therefore, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee, such successors and such assigns, shall not, during the effectiveness of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the Grantor to the Grantee pursuant to Section 324 of the Agreement, whichever is longer: (i) remove the Property or any portion thereof, from the Los Angeles County tax Roll; or (ii) contest the validity or the amount, in part or in full, whether by property tax assessment appeal or otherwise, of any property tax assessment imposed upon the Property (or any interest therein) by the Los Angeles County Assessor or other official responsible for such assessments, which is the basis for property taxes which it is obligated to pay in connection with its ownership of any interest in the Property, and which contest would result in a property tax assessment applicable to any parcel comprising the Property and/or the contiguous real property referred to in paragraph (3)(d) above.

(4) Prior to the recordation of a Release of Construction Covenants issued by Grantor for the improvements to be constructed on the Property or on any part thereof:

(a) Grantee shall not make any sale, transfer, conveyance or assignment of the Property or any part thereof, or the buildings or structures thereon, without the prior written approval of Grantor, except as expressly permitted by the Agreement. In the event that Grantee does sell, transfer, convey or assign any part of the Property or buildings or structures thereon, prior to the recordation of a Release of Construction Covenants, in violation of this Grant Deed, Grantor shall be entitled to increase the Purchase Price paid by Grantee for the Property by the amount that the consideration payable for such sale, transfer, conveyance or assignment is in excess of the Purchase Price paid by Grantee, and the cost of improvements and development theretofore made to the Property and the contiguous real property, including carrying charges and costs related thereto. The consideration payable for such sale, transfer, conveyance or assignment to the extent it is in excess of the amount so authorized shall belong and be paid to Grantor and until paid Grantor shall have a lien on the Property and any part involved for such amount. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, nor shall it prohibit granting any security interests permitted by paragraph (4)(b) of this Grant Deed for financing the acquisition and development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

(b) However, notwithstanding anything to the contrary, in the event that any such sale, transfer, conveyance or assignment of the Property or any part thereof or the buildings or structures thereon results in the removal of the Property or any portion thereof, from the Los Angeles County Property Tax Roll as set forth above in Paragraph 3 and more specifically described in Section 708 of the Agreement, the Grantee and/or its successors-in-interest shall pay the Additional Purchase Price to the Grantor with respect to either the Property or the applicable portion thereof; upon the close of escrow regarding such sale and in the amount set forth in Exhibit C which is attached hereto and fully incorporated herein by this reference. Until paid, the Grantor shall have a lien on the Property or the applicable portion

Koper-DDA-At5
1/8/12
Final

Attachment No. 5
Page 3 of 9
thereof, in the amount of the Additional Purchase Price. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, entry by Grantee into or exercise of its rights under spaces leased within improvements on the Property nor shall it prohibit granting any security interests permitted by paragraph 4(b) of this Grant Deed for financing the acquisition and development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

(c) Grantee shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, conveyances and leases back or any other form of conveyance required for any reasonable method of financing of the acquisition of the Property and the contiguous real property referred to in paragraph (3)(d) above, the construction of improvements on the Property and the contiguous real property, and any other expenditures necessary and appropriate to develop the Property and the contiguous real property as permitted by the Agreement. Grantee shall notify Grantor in advance of any such conveyance for financing if Grantee proposes to enter into the same prior to recordation of a Release of Construction Covenants for the improvements to be constructed on the Property and the contiguous real property. Grantee shall not enter into any such conveyance for financing without prior written approval of Grantor, which approval Grantor agrees to give if any such conveyance is to a responsible financial or lending institution or other acceptable person or entity.

(5) Prior to the recordation of a Release of Construction Covenants issued by Grantor for the improvements to be constructed on the Property or on any part thereof:

(a) Grantor shall have the right at its option to reenter and take possession of the Property hereby conveyed (or portion thereof) with all improvements thereon, and to terminate and rivets in Grantor the Property hereby conveyed (or portion thereof) to Grantee if Grantee (or its successors in interest) shall:

(i) Fail to commence construction of the improvements on the Property and/or the contiguous real property referred to in paragraph (3)(d) above, as required by the Schedule of Performance (Attachment No. 3) of the Agreement provided that Grantee shall not have obtained an extension or postponement from Grantor; or

(ii) Abandon or substantially suspend construction of the improvements on the Property and/or the contiguous real property referred to in paragraph (3)(d) above, for a continuous period of three (3) consecutive months after written notice of such abandonment or suspension from Grantor, provided that Grantee shall not have obtained an extension or postponement to which Grantee may be entitled pursuant to the Agreement; or

(iii) Assign or purport to assign the Agreement, or any rights therein, or transfer, or suffer any involuntary transfer of, the Property, or the contiguous real property referred to in paragraph (3)(d) above, or any part thereof, in violation of this Grant Deed, and such violation shall not be cured within thirty
(30) days after the date of the receipt of written notice thereof by Grantor to Grantee.

(b) The right to reenter, repossess, terminate and revest, and the provisions below regarding the application of proceeds, shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(i) Any mortgage or deed of trust or other security interest permitted by paragraph (4)(b) of this Grant Deed; or

(ii) Any rights or interests provided for the protection of the holders of such mortgages, deeds of trust, or other security interests.

(c) The right to reenter, repossess, terminate and revest shall not apply to the Property, or portions thereof, for which a Release of Construction Covenant has been issued by Grantor and recorded.

(d) Subject to the rights of holders of security interests as stated in this paragraph (5), in the event title to the Property or any part thereof is revested in Grantor as provided in this paragraph (5), Grantor shall, pursuant to its responsibilities under state law, use its diligent and good faith efforts to resell the Property or such part thereof as soon and in such manner as Grantor shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified party or parties (as determined by Grantor) who will assume the obligation of making or completing the improvements or such other improvements in their stead as shall be satisfactory to Grantor and in accordance with the uses specified for such Property or part thereof in the Redevelopment Plan. Upon such resale of the Property and satisfaction of obligations owed to the holder of any mortgage, deed of trust or other security interest authorized by the Agreement, the proceeds thereof shall be applied:

(i) First, to reimburse Grantor, on its own behalf or on behalf of the City of Inglewood for all substantiated costs and expenses incurred by Grantor, including but not limited to salaries to personnel engaged in such action, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by Grantor from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges, if any and if applicable, with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership thereof by Grantor, then such taxes, assessments, or charges, as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing to Grantor by Grantee and its successor or transferee; and
(ii) Second, to reimburse Grantee, its successor or transferee, up to the amount equal to: the sum of (1) the Purchase Price paid to Grantor by Grantee for the Property (or allocable to the part thereof), and (2) the costs incurred for the development of the Property (or such part thereof) and for the improvements existing thereon at the time of reentry and repossession; less (3) any gain or income withdrawn or made by Grantee from the Property (or such part thereof) or from the improvements thereon. For purposes of this paragraph the term "cost incurred" shall include direct, out-of-pocket expenses of development, but shall exclude Grantee's general overhead expense.

(iii) Any balance remaining after such reimbursements shall be a retained by Grantor as its property.

(e) To the extent that this right of reverter involves a forfeiture, it must be strictly interpreted against Grantor, the party for whose benefit it is created. This right is to be interpreted in light of the fact that Grantor hereby conveys the Property to Grantee for development and not for speculation in undeveloped land.

(6) Grantee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

(7) All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices' of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

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

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

(8) All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors, and assigns, and the City of Inglewood and its successors and assigns, against Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

(9) The conditions contained in Paragraphs (4)(a), 4(c) and (5) of this Grant Deed, and all rights and obligations under the Agreement referred to in Paragraph (2) hereof, shall terminate and become null and void upon recordation of a Release of Construction Covenant issued by Grantor for the Property or the applicable portion thereof. Except as otherwise set forth, every covenant, condition and restriction contained in this Grant Deed shall remain in effect during the duration of the Redevelopment Plan, as it may be extended, or five years following the issuance of the Release of Construction Covenants by the Grantor to Grantee pursuant to Section 324 of the Agreement, whichever is longer, at which time they shall terminate and become null and void. The covenants against removing the Property from the Los Angeles Tax Roll or contesting any property tax assessments imposed upon the Property shall remain in effect for the period of time set forth in the second full paragraph of paragraph (3) of this Grant Deed during which time, property taxes are allocated under the Redevelopment Plan pursuant to Section 33670. The covenants against discrimination set forth in paragraphs (6) and (7) of this Grant Deed shall remain in perpetuity.

(10) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of Grantor, and such covenants shall run in favor of Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.
GRANTEE ACCEPTANCE

The Grantee hereby accepts the written deed, subject to all of the matters hereinbefore set forth.

Grantee-Developer:

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

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

By: _______________________
    Michael Koper,
    President
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

[To Be Added]
EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:


APN: 4126-008-901

PARCEL 3:


APN: 4126-008-902

PARCEL 4:
EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:


APN: 4126-008-901

PARCEL 3:


APN: 4126-008-902

PARCEL 4:
LOT 3 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON
THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32
AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE
14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER MAPRecordedinBook36,Page3Of
MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT
SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS
OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED
WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA
REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID
PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE
DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS
INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:

LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 32, AS SHOWN ON
THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF NORTHWEST QUARTER SECTION 32
AND THE NORTH HALF OF SOUTHWEST QUARTER SECTION 32, TOWNSHIP 2 SOUTH, RANGE
14 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INGLEWOOD, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RecordedinBook36,Page3Of
MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT
SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS
OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED
WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA
REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID
PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE
DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS
INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:

THE NORTH HALF OF LOT 23 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF
SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF
NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER
SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN,
IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP
RecordedinBook36,Page3OfMISCELLANEOUS RECORDS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-906
PARCEL 9:


APN: 4126-008-909
EXHIBIT B

LEGAL DESCRIPTION OF CONTIGUOUS PROPERTY

[To Be Added]
EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:


APN: 4126-008-901

PARCEL 3:


APN: 4126-008-902

PARCEL 4:

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:


EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT
SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS
OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED
WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA
REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID
PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE
DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS
INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:

THE SOUTH 55 FEET OF LOT 18 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF
SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF
NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER
SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN,
IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP
RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT
SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS
OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED
WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA
REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID
PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE
DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS
INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:

THE NORTH 55 FEET OF LOT 38 OF THE NORTH HALF OF THE NORTHWEST QUARTER OF
SECTION 32, AS SHOWN ON THE MAP OF THE NORTH HALF AND THE SOUTH HALF OF
NORTHWEST QUARTER SECTION 32 AND THE NORTH HALF OF SOUTHWEST QUARTER
SECTION 32, TOWNSHIP 2 SOUTH, RANGE 14 WEST, SAN BERNARDINO BASE AND MERIDIAN,
IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP
RECORDED IN BOOK 36, PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT
SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS
OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED
WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA
REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID
PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE
DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS
INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-906
PARCEL 9:


APN: 4126-008-909
ATTACHMENT NO. 6

EMPLOYMENT AND TRAINING REQUIREMENTS

In cooperation with the City of Inglewood Redevelopment Agency, Employment Development Department, Workforce Investment Act Program and other City agencies, the Developer shall aid in the creation and development of a specialized job recruitment and training program in order to provide employment opportunities to Inglewood residents. The program shall maximize the availability and accessibility of employment in connection with the construction of the improvements on the Property and their subsequent operation. It shall be the goal of the Developer to award at least 30% of the construction work to minority contractors (reflecting the makeup of the Inglewood Community) with at least 50% of the 30% being awarded to local qualified Inglewood businesses. Furthermore, it shall be the goal of the Developer to maximize employment opportunities for the residents of Inglewood by extending reasonable preferences to such residents for employment opportunities created by the development with the overall goal of employing qualified Inglewood residents in a minimum of 35% of the jobs created. Special emphasis shall be placed on the creation of a partnership between the Developer, tenants of the project, and the City of Inglewood as the principal resources to achieve the aforesaid goal.

The Developer shall initiate the following actions/activities:

a) The development of an overall employment plan which will identify the types of jobs to be created and salary levels for the positions. The Developer shall develop specific contract language to be included in the contracts of prime, subcontractors and tenants requiring their active participation and cooperation in the attainment of the goals stated above. The Developer, with the assistance of the Redevelopment Agency and City Departments, shall develop recruitment materials which will enable it to solicit participation from local business in the development of this project;

b) The Developer shall require all tenants of the development
to develop employment plans, which shall specifically address their employment needs and identifies the positions which will be targeted to attain the employment goals stated above. The Developer shall work closely with the State of California’s Employment and Development Department and Workforce Investment Act Program, to develop training programs to meet the employment needs of the tenants and/or to recruit potential employees from available labor pools that meet the employment criteria established by the tenants;

c) The Developer shall establish a timetable that projects when particular phases of the project will be completed and estimate when recruitment efforts for new jobs will be initiated;

d) The Developer shall support the recruitment efforts in order to achieve the local hiring goals established in overall and tenant specific employment plans including all publicity efforts;

e) The Developer shall participate in the ongoing local planning efforts of the State of California’s Employment Development Department and Workforce Investment Act Program. This participation may take the form of membership in the South Bay Work Force Investment Board or other formal advisory bodies that assist in program design as seen fit by the Developer and the City.

The Redevelopment Agency/City shall initiate the following actions/activities:

a) The Redevelopment Agency/City shall work the Developer to develop training and recruitment programs to provide a qualified pool of Inglewood applicants who shall be provided reasonable preferences for employment positions created in connection with this development;

b) The Redevelopment Agency/City shall work with the Developer to develop training and recruitment materials which will be used to solicit participation on the part of the minority business community in the development of this project. The Redevelopment Agency/City shall work
with the needs identified by the tenants for the development to create a trained labor pool which exceeds, at a minimum, 10% of the required number of positions available for employment;

c) The Redevelopment Agency/City shall provide its list of minority contractors to the Developer which, to the greatest extent possible, shall be used, in conjunction with other resources, to solicit qualified contractors to work on this project.

d) The Redevelopment Agency/City, will, if necessary, conduct job fairs or other recruitment efforts, in conjunction with the Developer, to make sure that every conceivable effort is generated to attract the required qualified labor pool to assist in the attainment of the goals of this Agreement.

AUDIT AND COMPLIANCE

The Developer shall annually review its employment plan (i.e., Affirmative Action Plan) and make the necessary changes to improve its management and implementation. The City of Inglewood may perform unannounced visits to the site to verify information contained in the Developer’s employment plan and to ensure that the requirements of the plan are being met. The Developer shall comply with the specific reporting requirements of the City of Inglewood. The audit and review system will include the following component:

1) The Developer will keep such records as are necessary to determine compliance with, and progress under the Affirmative Action Plan. These records will be designed to indicate (1) the number of minority subcontractors working on the development and (2) the progress being made in securing the services of minority group subcontractors.
AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY

THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (the "Agreement") is entered into this ____________________ day of ____________________, 2012, by and between the CITY OF INGLEWOOD, (hereinafter referred to as "City") and K.P. AUTO CENTER, L.P., a California limited partnership (hereinafter referred to as "Developer") with reference to the following:

A. Developer is the present owner of that certain real property consisting of approximately 1.57 acres (the "Property") located in the City of Inglewood, County of Los Angeles, State of California and legally described in the Exhibit "A" attached hereto and fully incorporated herein by this reference.

B. The Property is also located within the Merged Inglewood Redevelopment Project area (the "Project Area") of the City of Inglewood and subject to the provisions of the Redevelopment Plan for the Project Area adopted by Ordinance Nos. 02-07, 02-08, 02-09, and 02-10 on February 26, 2002 by the City Council of the City of Inglewood.

C. This Agreement is entered into and recorded in accordance with the Redevelopment Plan and pursuant to the terms and provisions of that certain "Disposition and Development Agreement" entered into by and between City and Developer on ____________________, 2012 (the "DDA").

NOW, THEREFORE, CITY AND DEVELOPER AGREE AS FOLLOWS:

1. Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that the Property shall be developed and used in accordance with the Redevelopment Plan and pursuant to the terms and provisions of the DDA.
2. Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

a. The Property shall be devoted only to the development permitted and the uses specified in the applicable provisions of the Redevelopment Plan and this Agreement to be Recorded Affecting Real Property, whichever document is more restrictive.

b. There shall be constructed upon the Property and the contiguous real property hereinbelow described in paragraph 2.d., approximately 186,872 square feet (or about 4.29 acres) with an automobile sales and retail center including the sale of certain ancillary auto parts, auto parking and related uses contained in one (1) new building of approximately 10,000 square 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 plans and specifications prepared by the Developer and approved by the City and City of Inglewood.

c. During construction and thereafter, Developer shall maintain the improvements on the Property and in the public rights-of-way (curb to property line) on all sides of the Property, and shall keep the Property and such public rights-of-way free from any accumulation of debris or waste materials. During construction and thereafter, Developer shall also maintain the required landscaping on the Property and in such public rights-of-way in a healthy condition.

d. The Property shall only be used as herein provided in conjunction with that certain contiguous real property (the “Sales Parcel”) conveyed to the Developer by the City pursuant to the terms of the DDA, located in the City of Inglewood, County of Los Angeles, State of California legally described in the attached Exhibit "B". However, notwithstanding anything contained in this Covenant Agreement to the contrary, the development and use restrictions established in this Paragraph 3(d) shall remain in effect throughout the duration of the Redevelopment Plan, as it may be amended or five (5) years following the issuance by the City of a Release of Construction Covenants provided for in Section 324 of the DDA, whichever is sooner. Both the Property and the Sales Parcel is sometimes collectively, referred to herein as the “Site.

e. Grantee and all persons claiming under or through them, including without limitation tenants, lessees, subtenants, sublessees and any other operator of a business on the Property, or any portion thereof, shall comply with the Employment and Training Requirements (the “Job Training Program”) which attached to the DDA as Attachment No. 6 and fully incorporated herein by this reference.

f. Grantee shall not store any materials, equipment, supplies or products outside the buildings and structures developed on the Property unless
prior written approval is obtained from the City. If any outdoor storage is approved, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

The Sales Parcel is conveyed to the Developer by virtue of and in accordance with the substantial public aids that have been made available by law for the purpose of redeveloping the Site including without limitation the use and/or pledge of expected receipts of ad valorem property tax revenues allocated to the City pursuant to Article XVI, Section 16 of the California Constitution and Health & Safety Code §§ 33670 et seq. (the "CRL"). Therefore, Developer hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Developer, such successors and such assigns, shall not during the effectiveness of the Redevelopment Plan, as it may be amended, or five (5) years following the issuance of the Release of Construction Covenants by the City to Developer pursuant to Section 324 of the DDA, whichever is sooner: (i) remove the Property or any portion thereof, from the Los Angeles County Tax Roll; or (ii) contest the validity or the amount, in part or in full, whether by property tax assessment appeal or otherwise, of any property tax assessment imposed upon the Property (or any interest therein) by the Los Angeles County Assessor or other official responsible for such assessments, which is the basis for property taxes which it is obligated to pay in connection with its ownership of any interest in the Property, and which contest would result in a property tax assessment applicable to any parcel comprising the Property and the contiguous real property referred to in paragraph 2.d. above.

3. Prior to the recordation of a Release of Construction Covenants issued by City for the improvements to be constructed on the Property or on any part thereof:
   a. Developer shall not make any sale, transfer, conveyance or assignment of the Property or any part thereof, or the buildings or structures thereon, without the prior written approval of the City, except as expressly permitted by the DDA. In the event that Developer does sell, transfer, convey or assign any part of the Property or buildings or structures thereon, prior to the recordation of a Release of Construction Covenants, in violation of the DDA or this Agreement. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, nor shall it prohibit granting any proposed and/or proposed lease agreements permitted by the DDA and/or security interests permitted by paragraph (3)(c) of this Agreement for financing the development of the Property.
   b. However, notwithstanding anything to the contrary, in the event that any such sale, transfer, conveyance or assignment of the Property or any part thereof or the buildings or structures thereon results in the removal of the Property or any portion thereof, from the Los Angeles County Property Tax Roll as set forth above in Paragraph 2 and more specifically described in Section 708 of the DDA and requires the payment of an Additional Purchase Price referred to in Paragraph 2(d) above (sometimes referred to herein as the "Sales Parcel"), pursuant to the requirements of Section 708 of the DDA, the Developer and/or its successors-in-interest shall pay the Additional Purchase Price to the City with respect to either the Property or the applicable portion thereof, upon the close of escrow regarding such sale and in the amount set forth in Exhibit C which is attached hereto and fully incorporated herein by this reference. Until paid, the Grantor shall have a lien on the Property.
or the applicable portion thereof, in the amount of the Additional Purchase Price. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, entry by Grantee into or exercise of its rights under spaces leased within improvements on the Property nor shall it prohibit granting any security interests permitted by paragraph 3(c) of this Agreement for financing the acquisition and/or development of the Property. The lien created hereby shall be subordinate and subject to any such security interests.

.. c. Except as otherwise approved by the City, Developer shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, conveyances and leases back or any other form of conveyance required for any reasonable method of financing of the acquisition and/or development of the Property and the contiguous real property referred to in paragraph (3)(d) above, the construction of improvements on the Property and the contiguous real property, and any other expenditures necessary and appropriate to develop the Property and the contiguous real property as permitted by the DDA. Developer shall notify the City in advance of any such conveyance for financing if Developer proposes to enter into the same prior to recordation of a Release of Construction Covenants for the improvements to be constructed on the Property and the contiguous real property. Developer shall not enter into any such conveyance for financing without prior written approval of the City, which approval the City agrees to give if any such conveyance is to a responsible financial or lending institution or other acceptable person or entity.

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

5. All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

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

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

6. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, and the City of Inglewood and its successors and assigns, against Developer, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

7. Except as otherwise set forth hereinbelow, every covenant and condition and restriction contained in this Agreement shall remain in effect for the duration of the Redevelopment Plan, as it may be extended, or five years following this issuance of the Release of Construction Covenants as set forth in Section 324 of the DDA, whichever is sooner, at which time said covenants and conditions become null and void. The covenant against contesting any property tax assessment imposed upon the Property shall remain in effect for the period of time set forth in the second full paragraph of Paragraph 2 of this Agreement during which time property taxes are allocated pursuant to the Redevelopment Plan and Section 33670 of the CRL. The covenants against discrimination set forth in Paragraphs 4 and 5 of this Agreement shall remain in perpetuity.

8. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of City and such covenants shall run in favor of City for the entire period during which such covenants shall be in force and effect, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or
other proper proceedings to enforce the curing of such breach of agreement or covenant.

IN WITNESS WHEREOF, City and Developer have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this _____ day of ______________, 2012.

CITY OF INGLEWOOD
(City)

By: ______________________________
    Mayor

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

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

By: ______________________________
    Michael Koper
    President

APPROVED AS TO FORM AND LEGALITY ON THIS _____
day of ______________, 2012.

CAL P. SAUNDERS
City Attorney

By: ______________________________
    Cal P. Saunders

Koper-DDA-At 7
1/8/12
Final
APPROVED:

KANE, BALLMER AND BERKMAN
Special Counsel

By: ______________________
     Royce K. Jones

ATTEST:

CITY CLERK

By: ______________________
     Yvonne Horton
EXHIBIT A

DESCRIPTION OF PROPERTY

[To Be Added.]
EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-907

PARCEL 2:


APN: 4126-008-901

PARCEL 3:


APN: 4126-008-902

PARCEL 4:

EXCEPTING THEREFROM THE WEST 141 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-904

PARCEL 5:


EXCEPTING THEREFROM THE SOUTH 55 FEET THEREOF.

EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-908

PARCEL 6:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF
EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 7:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: A PORTION OF 4126-008-905

PARCEL 8:


EXCEPTING THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER TOGETHER WITH THE RIGHT TO EXPLORE FOR AND EXTRACT SUCH SUBSTANCES; PROVIDED THAT ANY SURFACE OPENING, HOLE, SHAFT OR OTHER MEANS OF EXPLORING FOR, REACHING OR EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE AREA SUBJECT TO THE REDEVELOPMENT PLAN FOR THE MERGED LA CIENEGA REDEVELOPMENT PROJECT, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY THE DEFENDANTS IN A FINAL ORDER OF CONDEMNATION RECORDED APRIL 24, 2002 AS INSTRUMENT NO. 02-0954771 OF OFFICIAL RECORDS.

APN: 4126-008-905
PARCEL 9:


APN: 4126-008-909
EXHIBIT B

DESCRIPTION OF CONTIGUOUS PROPERTY

the "Sales Parcel"

[To Be Added.]
EXHIBIT C

ADDITIONAL PURCHASE PRICE CALCULATION

[To Be Added]
ATTACHMENT NO. 8

RELEASE OF CONSTRUCTION COVENANTS

When Recorded Return to:

CITY OF INGLEWOOD
Economic Development Department
One Manchester Boulevard
Inglewood, CA 90301
Attn: Executive Director

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §27383

RELEASE OF CONSTRUCTION COVENANTS

WHEREAS, K.P. AUTO CENTER, L.P., a California Limited Partnership (the “Developer”) is the owner of that certain real property situated in the City of Inglewood, California described in Exhibit “A” which is attached hereto and made a part hereof (the “Property”), and has agreed to construct the improvements thereon (the “Improvements”); and

WHEREAS, the Agreement Containing Covenants Affecting Real Property entered into by and between the City of Inglewood (the “City”) and the Developer and recorded in the Official Records of Los Angeles County, California on ______________, 2011 as Instrument No. _____________ (the “Agreement Containing Covenants”) obligates the Developer and its successors or assigns to construct the improvements in accordance with the Disposition and Development Agreement (“DDA”) dated as of ____________, 2011 by and between the City and the Developer.

WHEREAS, pursuant to the DDA, the City has agreed to furnish the Developer with a Release of Construction Covenants (“Release”) upon the completion of the construction of the Improvements, and such Release is to be in such form as to permit it to be recorded in the Official Records of Los Angeles County; and

WHEREAS, the DDA states that the Release shall be conclusive determination of satisfactory completion of the construction of the Improvements as required by the DDA; and

WHEREAS, the City has determined that the construction of the Improvements on the Property as required by the DDA has been satisfactorily completed by Developer.
NOW THEREFORE, it is hereby acknowledged and agreed by the parties hereto that:

1. The City hereby certifies that the construction of the Improvements on the Property has been fully and satisfactorily performed and completed as required by the DDA and the Agreement Containing Covenants.

2. Nothing contained in this instrument shall modify any provisions of the DDA or the Agreement Containing Covenants.

3. This Release shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the DDA requiring the Developer, and its successors and assigns, to construct the improvements and the dates for the beginning and completion thereof.

“CITY”
City of Inglewood

Date: ____________________________ By: ________________________________
James T. Butts, Jr.
Mayor

ATTEST:

By: ________________________________ Yvonne Horton
City Clerk

APPROVED AS TO FORM:

CAL P. SAUNDERS
CITY ATTORNEY

By: ________________________________
Cal P. Saunders
APPROVED

KANE, BALLMER & BERKMAN
Special Counsel

By: ________________________________
    Royce K. Jones
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land referred to herein is situated in the State of California, County of Los Angeles, and described as follows:

[TO BE INSERTED]
CALIFORNIA ACKNOWLEDGEMENT

State of California
County of ________________________

On ________________________ before me, ________________________,
(insert name and title of the officer)

personally appeared ________________________,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________ (Seal)
RESOLUTION NO. ______


WHEREAS, on February 6, 2002, the City Council of the City of Inglewood (City Council) adopted Ordinances 02-07, 02-08, 02-09 and 02-10 approving and adopting the Amended Redevelopment Plan (the "Redevelopment Plan") for the Merged Inglewood Redevelopment Project (the "Project Area"); and

WHEREAS, the Inglewood Redevelopment Agency ("Agency") is vested with the responsibility for and is carrying out the redevelopment plan for the Merged Inglewood Redevelopment Project; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the City proposes to sell certain real property within the Project Area that is generally located at The Southwest Corner of Olive Street and Glasgow (Attached List of Properties) pursuant to the terms and provisions of a certain Disposition and Development Agreement (the "DDA"), which DDA contains a description of the Site and provides for the construction of a 10,000 square foot building and retrofit an existing 36,000 square foot building for the purpose of developing an Automobile Sales and Retail Center ("the Development");

WHEREAS, the City has received the proposed DDA from the Developer in the form desired by the Developer providing for the redevelopment of certain real property within the Project Area (the "Site"); and
WHEREAS, the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) provides in Section 33431 that any sale or lease of property by the City may be made only after a public hearing of the City after publication of notice as provided by law; and

WHEREAS, the Community Redevelopment Law further provides in Section 33433 that before any property acquired, in whole or in part, directly or indirectly, with tax increment monies is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the legislative body after a public hearing, that notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the community at least two (2) successive weeks prior to the public hearing, and that the City shall make available for public inspection a report containing a copy of the proposed sale or lease and a summary of the financial and other aspects of the proposal; and

WHEREAS, the City prepared its report on the proposed DDA (the "Report") and made the Report available for public inspection as required by Section 33433 of the Community Redevelopment Law; and

WHEREAS, notice of a joint public hearing by the City Council on approval of the DDA and the potential sale of the Site by the City to the Developer was published in the Inglewood RDA on January 17, 2012 and January 24, 2012;

WHEREAS, the City Council has duly considered all terms and conditions of the proposed sale of the Site and believes that the development of the Site is in the best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements,
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD DOES
HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council has received and heard all oral and written objections
to the proposed DDA, to the proposed sale of the Site pursuant to the proposed DDA
and to other matters pertaining to this transaction, and that all such oral and written
objections are overruled.

Section 2. The City Council hereby finds and determines that the proposed DDA will
redevelop the Site in accordance with the Community Redevelopment Law and the
Merged Inglewood Redevelopment Plan.

Section 3. The City Council hereby finds and determines that the consideration to
be paid for the Site by the Developer pursuant to the DDA is not less than the fair reuse
value for the Site at the sue and with the covenants and conditions and development
costs authorized by the DDA. This finding and determination is based upon the
information contained in the City’s Report prepared pursuant to Health and Safety Code
Section 33433.

Section 4. The City Council hereby finds and determines that the sale and
redevelopment of the Site pursuant to the DDA is consistent with the Implementation
Plan for the Merged Inglewood Redevelopment Project. This finding and determination
is based upon the information contained in the City’s Report pursuant to Health and
Safety Code Section 33433.

Section 5. The City Council hereby finds and determines that the sale and
redevelopment of the Site pursuant to the DAA will assist in the elimination of blight in
the Merged Inglewood Redevelopment Project. This finding and determination is based
upon the information contained in the City's Report pursuant to Health and Safety Code Section 33433.

Section 6. The City Council hereby approves the sale of the Site and the DDA establishing the terms and condition for the sale and development of the Site.

Section 7. The City Council hereby authorizes the City Manager to approve minor, non-monetary, amendments to the DDA which do not materially or substantially alter the rights and obligations of the City under DDA, to make all approvals and take all actions necessary or appropriate to carry out and implement the DDA, and administer the City's obligations, responsibilities and duties to be performed under the DDA.

Section 8. The City Council hereby authorizes the City Clerk to deliver a copy of this Resolution to the Mayor and Members of the City Council. A copy of the DDA, when executed by the City, shall be placed on file in the office of the City Clerk as Document No. _____.

PASSED, APPROVED, AND ADOPTED this 31st day of January, 2012.

Mayor, City of Inglewood, California

ATTEST:

City Clerk, City of Inglewood, California